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Group of Experts on Euro-Asian Transport Links

First informal preparatory meeting for the fourteenth session of the Group of Experts on Euro-Asian Transport Links

First informal session

Istanbul, 20–21 October 2015

Report of the Group of Experts on Euro-Asian Transport Links on its first informal session

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I. Attendance

1. The Group of Experts on Euro-Asia Transport Links (EATL) held its first informal preparatory meeting for the fourteenth session of EATL on 20–21 October 2015 in Istanbul, Turkey. Representatives of the following member States of the United Nations Economic Commission for Europe participated: Azerbaijan, Kazakhstan, Kyrgyzstan, Poland, Tajikistan and Turkey; representatives of the Islamic Republic of Iran also attended.
2. The following intergovernmental organizations was represented: Turkic Council.
3. The following non-governmental organizations were represented: Association of International Forwarding and Logistic Service Providers (UTIKAD); International Transport Association (UND).
4. At the invitation of the secretariat the Yildiz Technical University and UPM Transport also attended the meeting.

II. Adoption of the agenda (agenda item 1)

Documentation: Informal document WP.5/GE.2 (2015) No. 6

5. This meeting of the EATL Group of Experts was co-organized with the Turkic Council (TC).
6. The Group of Experts **adopted** the agenda.
7. As both the Chair and Deputy-Chair of the EATL Group of Experts were unable to participate in this meeting, the Group of Experts **elected** Mr. Jerzy Kleniewski – (Poland) as Chair for this meeting.
8. Mr. Abzal Saparbekely (Deputy Secretary-General of the Turkic Council) welcomed the participants to the meeting. He mentioned great opportunities for cooperation between TC and the European Commission for Europe (ECE) in various transport-related fields which include combined transport, customs issues, TIR, infrastructure and safety. He mentioned the willingness and readiness by TC to cooperate with ECE in the future.

III. Identification of cargo flows on the Euro-Asian transport links (agenda item 2)

Documentation: Informal document No. 1

9. The Group of Experts **recalled** Informal document No.1 provided by the Organization for Security and Cooperation (OSCE) on the cargo flows along the Euro-Asian corridors and ports of interest. The document contains a qualitative analysis of logistics and transport networks, basic economic data about EATL routes and countries as well as bilateral trade data and transport flow and modal split data. It also considers factors such as costs and time (including road and rail tariffs, and average travel speed), composition of trade flows (in terms of commodity types) as well as non-physical barriers encountered by rail and road transport operators on these routes. Ineffective border crossing regulations and procedures were identified as a main bottleneck causing delays, increasing costs and creating conditions for unofficial payments.
10. The Group of Experts **welcomed** the involvement of the Scientific and Research Institute of Motor Transport – (NIIAT) from Moscow in the EATL project. It also

recommended Informal document No.1 and Informal document No. 5 (prepared by the Hellenic Institute of Transportation) as inputs in the final Phase 3 report.

11. The Group of Experts **invited** NIIAT to present an outline of the final Phase 3 report at the next session.

IV. Facilitating the coordination of integrated time schedules and tariffs on the Euro-Asian transport links (agenda item 3)

12. The experts **recalled** that under this agenda item, the project should develop integrated time schedules and tariffs for rail services – cargo trains – along the EATL routes. The experts agreed that this would be a demanding and complex task, and should be prepared and completed in cooperation with different partners. Such an approach would minimize efforts and time, would avoid any duplication of work and would ensure the involvement of all initiatives in the region and, therefore, ensure project success.

13. The Group of Experts **recalled** Informal document No. 3 by the Organization for Cooperation of Railways (OSJD) “List of Container Trains and Combined Transport on the Railways of OSJD Member Countries” and **asked** OSJD to submit a document on trains operating with regular itineraries between Europe and Asia, their routes and frequency of operation, as well as other pertinent information (current problems and proposals to overcome them) which would be considered for inclusion on the Phase 3 report.

14. In addition, the Group of Experts **invited** OSJD to present and include in the above mentioned document the issue of facilitation of rail transport including software applications for the calculation of rail freight. The OSJD experience with the applications by pertinent software companies in this and similar respects would be welcome at the next meeting.

V. Identification of needs and requirements by producers, shippers, traders and freight forwarders in transport and trade on the EATL routes (agenda item 4)

15. The Group noted that for making Euro-Asian transport links operational, the needs of stakeholders that control cargo such as producers, traders and freight forwarders should be taken into account, but also that the obstacles they are facing while transporting along the EATL corridors should be eliminated. Therefore, representatives from these groups should be invited to present their requirements and needs.

16. The Group of Experts would welcome an updated version presented by Plaske at the twelfth session (Informal document No. 2) “Comparative analysis of the duration and expenses of railway and maritime transport between Europe and Asia on selected Euro-Asian routes”. This would be considered in the future as a possible input in the Phase 3 report. The Group **decided** to invite and welcome a revised version of this document at its next meeting.

17. Mr. Hacer Uyarlar (UPM Transportation) spoke about problems that operators face with different regulations and transport regimes.

18. Mr. Kostas Sandalcidis (UTIKAD) informed the Group of Experts about problems that the road freight industry encounters. These include: visas for drivers (especially in countries such as Turkmenistan and Uzbekistan); long waiting times at the borders (i.e. Turkey – Iran (Islamic Republic of); Iran (Islamic Republic of) – Turkmenistan; at various border points in the Russian Federation); TIR Carnet issues with the Russian Federation;

different customs procedures in the countries and also within one country at different border crossing points; political disputes preventing a smooth transport (Tajikistan – Uzbekistan); corruption at the borders in order to speed up the border crossing procedure; poor infrastructure; Caspian Sea crossing problems (monopoly and extremely high charges for the ferryboat combined with poor service); insufficient number of transit permits for trucks (especially between Turkey and the Russian Federation).

19. Mr. Alpdogan Kahraman (International Transporters' Association (UND Association)) referred to the strategic importance of the Caspian Region which is derived not only from its location at the crossroads of major countries of Eurasia (Iran (Islamic Republic of) Russian Federation and Turkey), but also from its location on various transit corridors connecting Europe and Central Asia. The strategic importance of the region is also derived from its capacity in terms of resources.

20. Today, all transit corridors and projects that have been declared to connect Europe and Central Asia, such as Transport Corridors Europe Caucasus Asia (TRACECA), Silk Wind, BTK Railway line and Trans-Caspian, are located on ancient Silk Road routes. In these circumstances, the Caspian Region countries are expected to earn significant income from transit fees for the freight transport through this route in the future. At the same time, they will have the opportunity to increase their export volumes and gain access to more markets by effectively using these corridors.

21. For of all these reasons, related parties should realize high amount of infrastructure investments in order to attract international cargoes to Central Asia and Caspian Sea, and there must be a competitive race in this area.

22. Within this scope, countries in the region should not only improve their infrastructure but also must simplify customs and border crossing procedures, taking measures to reduce environmental effects of increasing transport capacities, making investments which will reduce the waiting time of trains and road vehicles and follow cargoes and vehicles with the help of modern information technologies, and even more importantly, they should try to integrate policies regarding transit tariffs. Ongoing problems in border crossing practices and current diversity in international transport documents increase the importance of taking better-planned and joint steps.

23. Urgent proposals for action by the UND Association in the region include:

(a) Azerbaijan and Turkmen Ro-Ro companies should reduce their ship freight and provide appropriate transportation freight in order to make Caspian Sea attractive in Eurasian transport corridors. Also regular time schedule should be established and online ticket sales system should be provided with prior reservations. In addition, for the Turkish and third country transporters that use the Caspian Sea, there should be reduction in the Azerbaijan and Turkmenistan road charges. Road permits are not adequate for the trucks that use Central Corridor. A 50 per cent reduction in road fees would make Caspian route attractive and feasible. It is clear that because of the current costs in Caspian route, Caspian Sea is not attractive for exporters and transporters compared to other routes.

(b) The Iran (Islamic Republic of) – Turkey's route is important on the Silk Road. An improvement (increase capacity) of the two country's customs posts is essential for increasing efficiency of trade.

(c) To improve and enhance driver visa conditions especially in Turkmenistan. Issuance of one-year multiple-entry visas for drivers and simplified visa procedures for drivers is important for improving transport through Turkmenistan.

(d) Proposals for solutions by the UND Association:

(i) Creation of Contact Persons – Trade & Transport Facilitation Bodies.

- (ii) According to the Bali Package Decisions of the World Trade Organization, it has been decided that Trade and Transport Facilitation Bodies will be established within the member countries.
- (iii) Related to the EATL Project, establishing Hotlines – Contact Persons within Turkic Council members is evaluated to be a great project and in accordance with the decisions by the World Trade Organization. The ongoing Project by the Turkic Council was designed to gather problems that require urgent solution. The function of these contacts is to serve as intermediary points, receive information from the exporter or transporter, filter it and contact Hotline party of Turkic Council for immediate solution.
- (iv) The UND Association suggests that this Project needs to continue, improve and be implemented, as it may provide solutions to the problems that are valid in Eurasia Transport Corridor and will contribute in overcoming problems and giving a better service to trade parties in the region. In addition, UND Association evaluates that it is vital that Turkic Council and other Eurasia countries should examine best Trade and Transport Facilitation bodies examples such as Singapore, Japan, the Republic of Korea or Sweden and take these countries as models to follow.
- (v) The UND Association positively evaluated the suggestion by the United Nations to involve contact persons or solution points in border crossings.
- (vi) To follow Georgia's stance against corruption in Eurasia. Georgia, by following strict principles against corruption, punished bribes of both parties (that both give and take), increased salaries of customs officials, finished corruption on Georgian border points and in other Georgian institutions. The UND Association evaluates that this success of the Georgian authorities should be followed by Eurasian countries.
- (vii) The suggestion is to analyse operation times, costs, competitiveness ratios in the North, Central and South Corridor that will contribute to the Eurasia route.

VI. Information from participants on recent developments in transport infrastructure priority projects on the EATL routes (agenda item 5)

24. Mrs. Kadriye Bodur Gumus (Turkey) informed the Group of Experts about infrastructure investment plans for railway sector in Turkey which involve 35.2 billion Turkish liras in the period 2003–2014. It is planned that out of 25,000 km rail network, 12,000km will be speed and high speed line by the year 2023. There will be also a new rail line among Azerbaijan, Georgia and Turkey, namely Baku-Tbilisi-Kars Railway Line, which is very important for the development of the Middle Corridor.
25. Mr. Azer Alyev (Azerbaijan) informed the Group of Experts about new transport infrastructure developments in his country.
26. Mrs. Nazanin Karimnejad (Iran Oston consulting engineers corporation for ministry of road and urbanism of the Islamic Republic of Iran), presented the importance of Asia – Europe linkages based on the volume of international trade. She informed the Group about the latest developments in transport infrastructure investments and plans and opportunities for the future.
27. Mr. Baurzhan Kussubayev (Kazakhstan) referred to the importance of Kazakhstan as the transport hub on Euro-Asian routes. Kazakhstan has since 2010 built more than 1,700 km rail tracks which significantly reduced the transport distance between China and

Europe. Trans-Caspian transport is also important for Kazakhstan. Therefore, Kazakhstan is developing port facilities in the Caspian Sea by the expansion of the Aktau seaport and the construction of the ferry complex in the port of Kuryk, which will increase the capacity of sea ports up to 25 million tons per year. He also raised the question of infrastructural barriers, corruption at the borders on EATL routes which asks for action, as well as the non-discriminatory application of the TIR Convention.

28. Mr. Jerzy Kleniewski (Poland) spoke about the decision by Maersk to select Gdansk as the hub for the Baltic countries. He encouraged the countries along the EATL routes to apply TIR and other United Nations Conventions.

29. Mr. Ali Civiler (Turkic Council) spoke about the need for a smooth and seamless transport between countries in the region as a precondition for a favourable trade and economic climate. He further elaborated on the ongoing transport projects conducted by the Turkic Council. In response to the remarks of Mr. Kahraman on the hotline project to be established under the Turkic Council, Mr. Çiviler provided information about the “Communication Line” Project of the Turkic Council which aims to set up a mechanism for coming up with practical solutions to the problems encountered by the freight forwarders on the territories of the Turkic Council member states.

VII. Geographical Information System (agenda item 6)

Documentation: ECE/TRANS/WP.5/GE.2/2014/1

30. The Group **recalled** the previous meetings and noted a lack of progress for the Geographical Information System (GIS), principally due to a lack of financial resources. None the less, the Group would continue to explore ways to continue with this important tool. Commercial enterprises willing to be involved in GIS would be welcome.

31. Mr. Miroslav Jovanovic (ECE) **informed** the Group about ongoing discussions between the ECE and the Islamic Development Bank about possible cooperation in the EATL GIS matters.

32. The Group **decided** to keep this item on the agenda for its next session.

VIII. Other business (agenda item 7)

33. Mr. Miroslav Jovanovic (ECE) **informed** the Group of Experts about the decision by the Working Party on Transport Trends and Economics (WP.5) (September 2015) to support the extension of the EATL Group of Experts mandate for another year. This WP.5 decision will be presented at the next session of the Inland Transport Committee (February 2016) and then submitted to the Executive Committee for the final approval (expected during spring of 2016). Once approved, the mandate of the EATL Group of Experts will be for one year from the date of approval by the Executive Committee. The Group **decided** to support these developments.

34. The Group of Experts again **noted** with interest the Vienna Programme of Action (VPoA) (2014) for Landlocked Developing Countries. The duration of this programme is ten years. Transport and border-crossing linkages are at the heart of VPoA and there is an obligation to introduce those matters in the activities of the Group. The Group **concluded** that all EATL activities are directly linked with the general agenda of VPoA.

IX. Date of next meeting (agenda item 8)

35. The OSCE invited the Group of Experts to hold its second informal preparatory meeting for the fourteenth session of the EATL on 2–3 February 2016 in Vienna. The Group **expressed gratitude** to the OSCE and **accepted** this kind invitation.

36. Mr. Abzal Saparbekely (Deputy Secretary General of the Turkic Council) expressed pleasure about cooperation with the ECE and offered to continue cooperation in the future in projects of mutual interest.

37. The Group of Experts expressed **its gratitude** to the Turkic Council for hosting and co-organising the first informal preparatory meeting for the fourteenth session of the EATL. The Group **decided** to cooperate with the Turkic Council in the future.

X. Summary of decisions (agenda item 9)

38. In accordance with the established practice, the Group of Experts **adopted** a list of decisions and asked the secretariat to prepare a report on the outcome of the session.
