Transsib Transport Corridor: Key Performance Indicators

Gennady Bessonov,
CCTT Secretary General
Integrated multimodal network

Integrated multimodal services connect sea ports and terminals of Europe, Russia and the Asia-Pacific Region and can deliver a container from North Atlantic shores to the Pacific.
Changes in through container traffic on the TSR

1999-2013

Transsib Transport Corridor: Key Performance Indicators

(3)
Transsib Transport Corridor: Key Performance Indicators

International high-capacity container traffic on the TSR (empty and loaded, TEU)

1Q 2013

Export 64,650
Import 78,083
Transit 25,004

1Q 2014

Export 76,979
Import 68,774
Transit 30,638

+19.07%
-11.92%
+22.53%

In 1Q 2013 TSM international container traffic totalled 167,737 TEU

In 1Q 2014 TSM international container traffic totalled 176,391 TEU, up 5.2% from 2013.
High-capacity container traffic between Russia and APR countries.
1Q 2013 – 1Q 2014, TEU

- Russia - China: 95,934 to 103,159 (+8%)
- Russia - Japan: 13,898 to 18,154 (+31%)
- Russia - Republic of Korea: 44,431 to 49,304 (+11%)
Transport products on the TSR: China – Russia – Europe

Regular service: Chongqing-Duisburg

Service: Neutraubling (Germany) - Shenyang (China)

Service: Wuhan - Pardubice

Involved territories: China (1435mm), Kazakhstan (1520mm), Russia (1520mm), Belarus (1520mm), Poland (1435mm), Czech Republic (1435mm)
Reloading stations: Alashankou/Dostyk, Brest/Malszewicz
Distance: 10,693 km
Transit time: 36 days
Average speed: 660 km/day
Cargo: Computer spare parts
Containers: 50x40"

Transit time: 12-17 days
Current significant trade flows between North-Western Europe, Eastern Europe (Baltic States) and mainland Asia

Source: Panteia
Transsib Transport Corridor: Key Performance Indicators

BALTIC TRANSIT

Mercury service

Riga Express, Eurasia 1|2

Source: LIETUVOS GELEŽINKELIAI

Operator: SRR AS
Comparison of the logistics efficiency in Russia and foreign countries

Relative expenses for logistics in Russia are higher than in other countries

General logistics efficiency is also losing

Logistics expenses, % from GDP

Efficiency rate of logistics in 2014

Source: BCG
Market structure of the transport and logistics services

Effective business-model drivers

Integrated logistics (4PL)

Complex service made upon client’s demand

Integrated logistics

Optimal routes choosing

Contract logistics (complex 3PL)

Infrastructure provision

Efficiency of cost and service quality

Freight forwarding (base 3PL)

Optimal routes choosing

Warehouse services

Freight transportation (2PL)

R/w transp.

Overland forwarding

Aero and sea forwarding

Sea transp.

Aero transp.

Freight forwarding

Infrastructure provision

Rolling stock

Hauling

Mainline

“last mile”

Warehouse

Terminals

Trucks

Warehouse

Tankers

Bulkers

Ports

Airplanes

Airports

Source: BCG
Outsourcing share in word practice by elements of logistics

- International transp. 78%
- National transp. 71%
- Forwarding 57%
- Customs support 48%

10-20% of companies have functions on outsourcing
20-50% of companies have functions on outsourcing
More than 50% of companies have functions on outsourcing

(11)

Source: BCG
1. Transit time guarantee
## 2. Efficiency of customs procedures

Burden of customs procedure, WEF (1=extremely inefficient to 7=extremely efficient)

<table>
<thead>
<tr>
<th>Country Name</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belarus</td>
<td>4.40</td>
<td>4.20</td>
<td>4.20</td>
</tr>
<tr>
<td>China</td>
<td>4.82</td>
<td>4.84</td>
<td>4.91</td>
</tr>
<tr>
<td>Euro area</td>
<td>4.71</td>
<td>4.69</td>
<td>4.77</td>
</tr>
<tr>
<td>European Union</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
</tr>
<tr>
<td>India</td>
<td>3.50</td>
<td>3.60</td>
<td>3.50</td>
</tr>
<tr>
<td>Iran, Islamic Rep.</td>
<td>4.70</td>
<td>4.80</td>
<td>5.00</td>
</tr>
<tr>
<td>Japan</td>
<td>3.50</td>
<td>3.90</td>
<td>4.00</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>4.40</td>
<td>4.40</td>
<td>4.40</td>
</tr>
<tr>
<td>Korea, Rep.</td>
<td>2.80</td>
<td>2.90</td>
<td>3.30</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>3.70</td>
<td>3.60</td>
<td>3.80</td>
</tr>
<tr>
<td>Turkey</td>
<td>2.80</td>
<td>2.80</td>
<td>3.00</td>
</tr>
<tr>
<td>Ukraine</td>
<td>4.90</td>
<td>5.10</td>
<td>5.20</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4.12</td>
<td>4.09</td>
<td>4.07</td>
</tr>
</tbody>
</table>

Documents to export (number)

<table>
<thead>
<tr>
<th>Country Name</th>
<th>2008</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belarus</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>China</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Euro area</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>European Union</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>India</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Iran, Islamic Rep.</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Japan</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Korea, Rep.</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Russian Federation</strong></td>
<td><strong>10</strong></td>
<td><strong>9</strong></td>
</tr>
<tr>
<td>Turkey</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>World</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: GTE
### Main reasons for cargo detention on borders

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorrect execution of carriage and commercial documents</td>
<td>56%</td>
</tr>
<tr>
<td>Untimely provision of cargo consignment by empty rolling stock</td>
<td>12%</td>
</tr>
<tr>
<td>Technical errors</td>
<td>7%</td>
</tr>
<tr>
<td>Commercial errors</td>
<td>8%</td>
</tr>
<tr>
<td>Problems of customs processing</td>
<td>9%</td>
</tr>
<tr>
<td>Malfunctions of infrastructure</td>
<td>7%</td>
</tr>
<tr>
<td>Problems with regulatory documents</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: InterRail TSES
3. Transparency of the final transportation cost

I. By railway transport via TSM through Zabaikalsk and Naushki border crossings.

1. Railway infrastructure tariffs: Railways of China, KTZ, RZD, BCh, PKP, DB.
2. Container flatcar rent
3. Security
4. Additional charge (handling, customs control, station charge etc.)
5. Operator’s commission

II. Intermodal transport on the TSR the through Far East ports (sea + railway).

1. Sea freight
2. Stevedore’s charges
3. Terminal services
4. Railway infrastructure tariffs: Railways of China, KTZ, RZD, BCh, PKP, DB.
5. Container flatcar rent
6. Security
7. Additional charge (handling, customs control, station charge etc.)
8. Operator’s commission
Tariff policy for freight transport by container trains between China to Europe (40’ own)

- Zabaikalsk – Krasnoe (1,044 CHF)
- Krasnoe – Zabaikalsk (464 CHF)
- Osinovka – Brest or return (230 CHF)
- Dostyk – Iletsk or return (859 CHF)
- Kanisai – Krasnoe or return (576 CHF)
4. Unified legal framework

Unified Rail Transport Law

SMGS

COTIF/CIM

Source: CIT
5. Cargo security control

Cargo transferring scheme

Problems of cargo security between cargo transfer points in the border area
Conceptual scheme of a system for security control and transit traffic monitoring

MESC – maintenance & engineering support centre
CCAST UIC/CCTT – centre for coordinating and analytical solutions on transit traffic
CCAST CC - centre for coordinating and analytical solutions on transit traffic in terms of customs control
### Transsib Transport Corridor: Key Performance Indicators

<table>
<thead>
<tr>
<th>UN</th>
<th>S2</th>
<th>WP5</th>
<th>WP24</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIT</td>
<td>Multimodality</td>
<td>CIM/SMGS</td>
<td></td>
</tr>
<tr>
<td>UIC</td>
<td>Commissions I, II, III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNCTAD</td>
<td>GTE</td>
<td>Security BIRC</td>
<td></td>
</tr>
<tr>
<td>CATT</td>
<td>CCTT IC WG</td>
<td>CCTT IT WG</td>
<td></td>
</tr>
</tbody>
</table>

(20)
CCTT cooperation with international organizations

- OSJD, UIC, EurAsEC, ITC UNECE, CIT
- Carriers, Rolling stock operators
- International multimodal operators, Regulatory bodies

Information support
Legislative and judicial support
Fare conditions
Technological support

Infrastructure
Rolling stock

Proposals for the improvement of transport and logistics products

(21)
Transsib Transport Corridor: Key Performance Indicators

- Global Team of Experts (GTE)
- Security BIRC
- Standardization

cooperation
Freight corridors integration

(23)
Service regularity

Improve the regulatory framework

Stable and competitive tariff

TARGET PRIORITIES OF A MODERN TRANSPORT PRODUCT

New infrastructure opportunities

Introduction of new technologies

(24)
Thank you for your attention!

CCTT Secretary General
Gennady Bessonov
info@icctt.com