

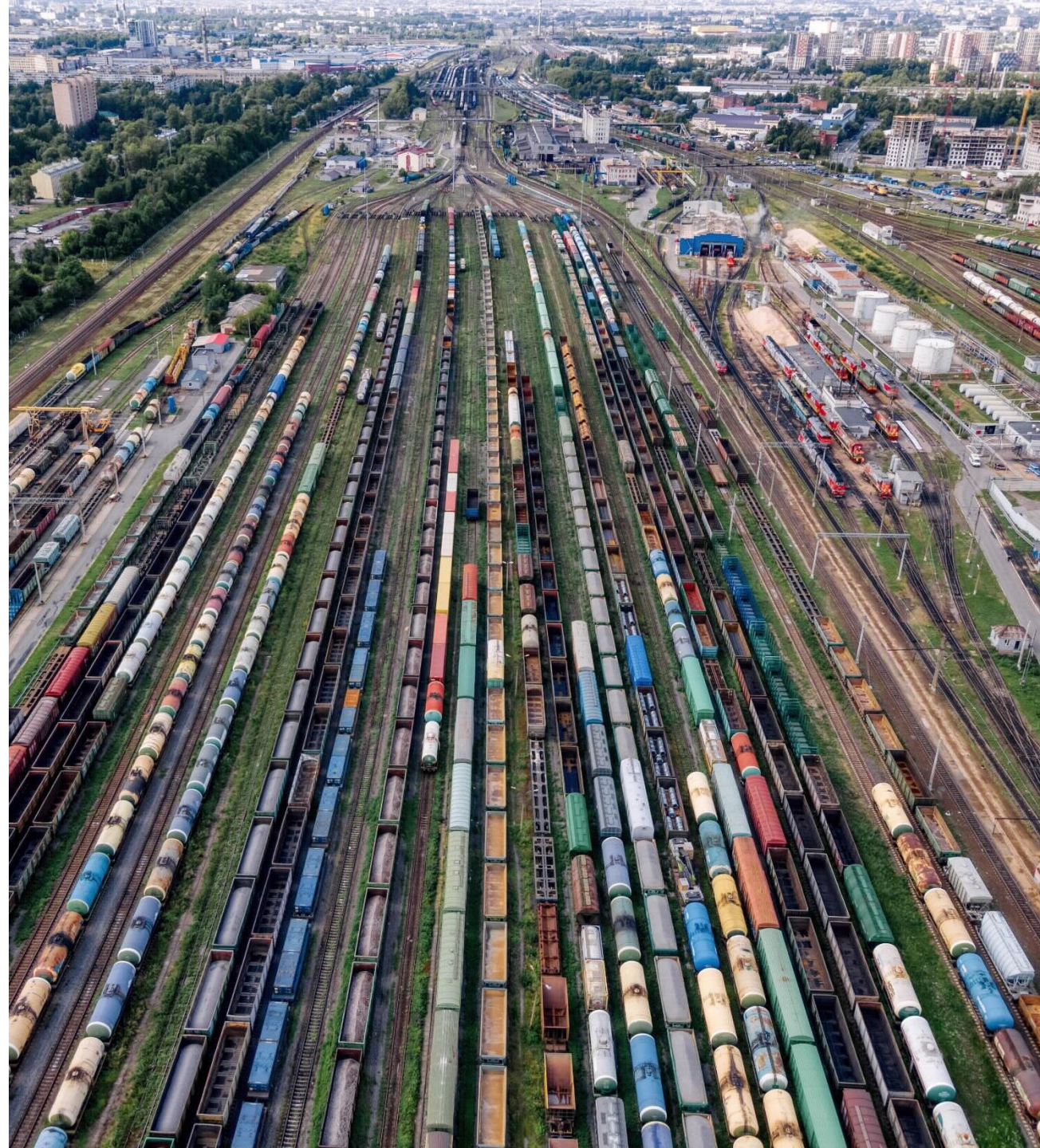


Eurasian Development Bank

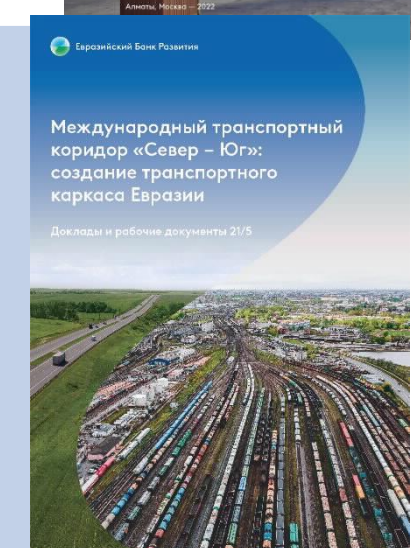
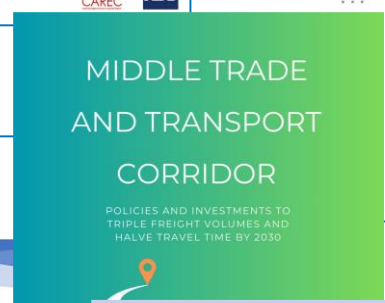
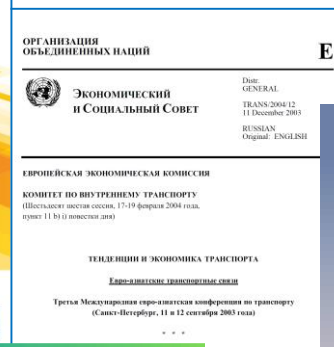
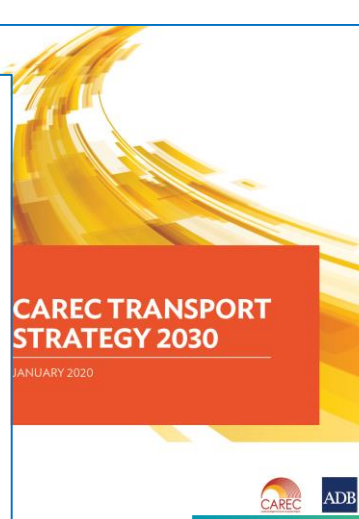
Eurasian Transport Network

EDB Analytical Report
2024/6

June 2024, Almaty



Existing research



Eurasian Transport Network Conceptual Framework: 10 System Elements

1



Synergies of international transport corridors and routes are achieved through their interconnection and complementarity

2



The development of the Eurasian Transport Network leads to the creation of **a transport hub in Central Asia**

3



The **priority of intraregional transport connectivity** includes reducing the costs of transport between countries along ITCs, as well as to seaports

4



Developed transport and logistics infrastructure creates a **momentum for realising the agro-industrial potential**

5



Eurasian land routes serve as **insurance for global trade and logistics chains** in times of maritime shipping disruption

Eurasian Development Bank

Interconnection of corridors generates up to **40%** of additional container traffic

By 2030,* the international traffic in Central Asia, including transit, will increase to:

95 million tonnes (**+50%**)
and **1.7** million TEU (**+67%**)

Exports of grain and other agricultural products can potentially feed

600 million people

* EDB's 2030 forecast, targeted scenario.

Eurasian Transport Network Conceptual Framework: 10 System Elements

6



The Eurasian Transport Network helps to **reduce imbalances in the geography of trade** across Eurasia

7



The development of integrated logistics services enables a shift **from competition between corridors and modes of transport to interaction between them**

8



The focus should be on “nerve clusters” – junctions of transport corridors and routes, transport hubs, border crossing points, and key seaports

9



The development of operators, terminals, and technologies results in **increasing containerisation**, which enables a significant acceleration of goods distribution in Eurasia

10



Effective development of the Eurasian Transport Network infrastructure is facilitated by an **improvement of soft infrastructure**

Expansion of the trade potential between Central Asian countries and India by a factor of

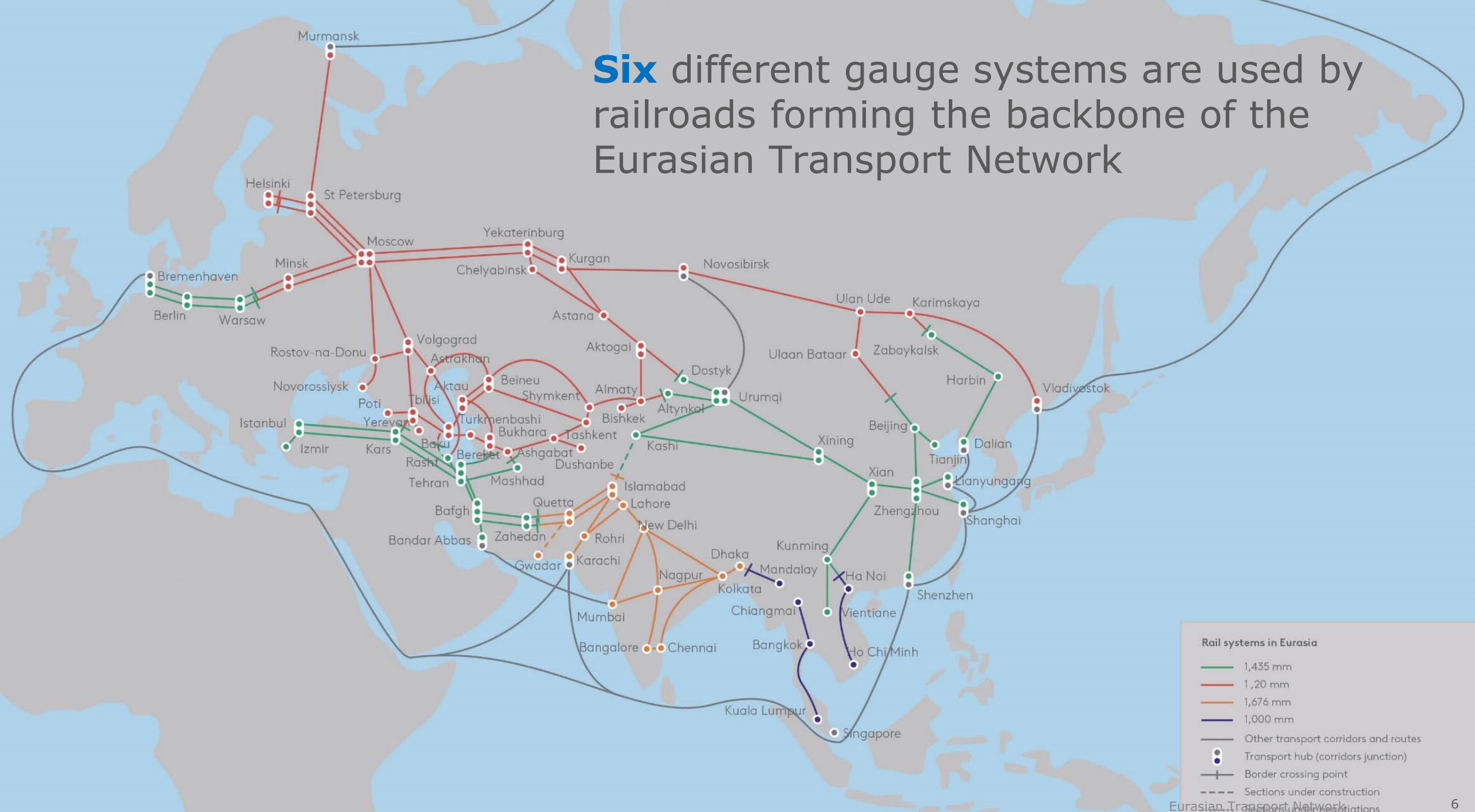
3

Integrated transport and logistics solutions reduce the cost of multimodal transport by

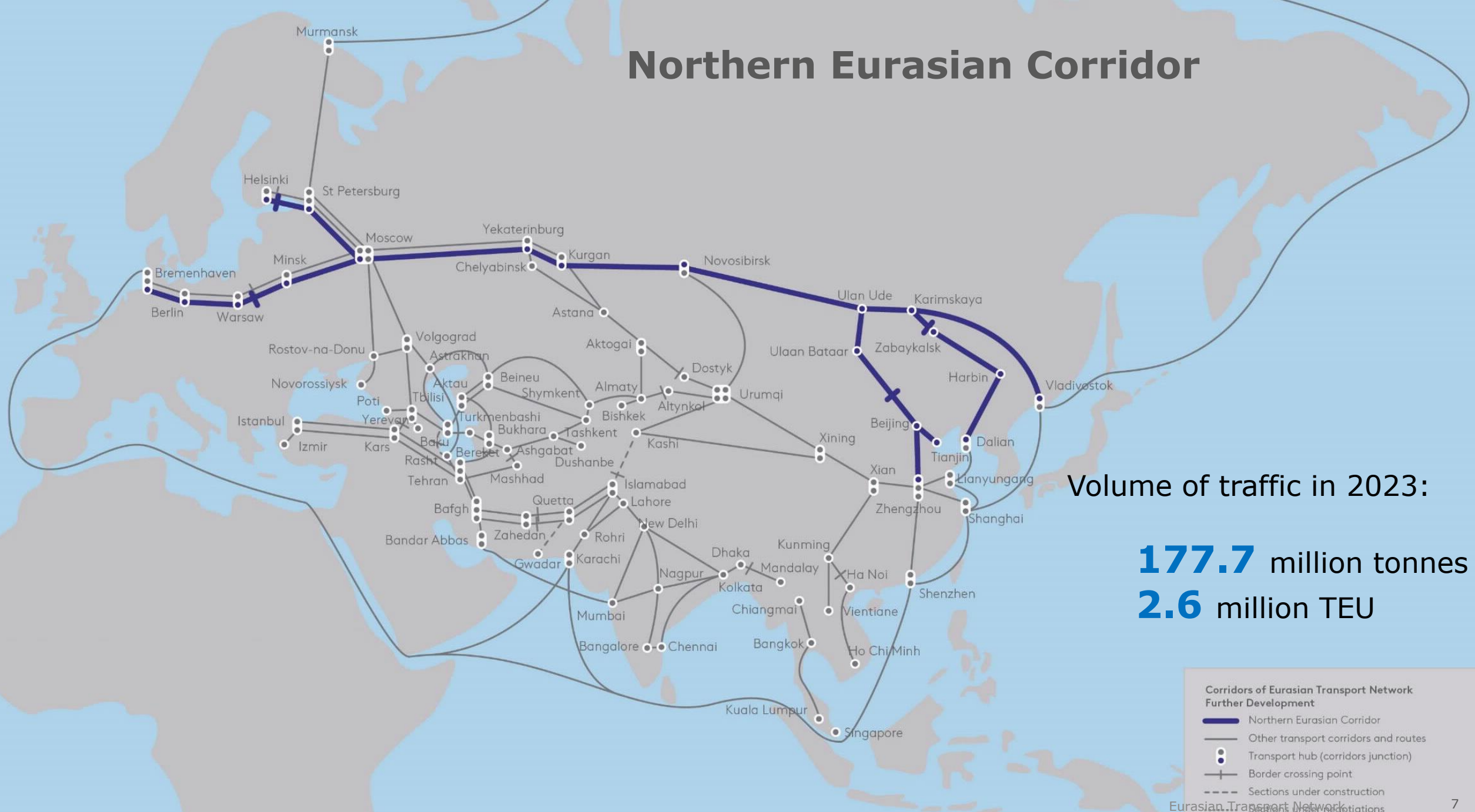
15%

A reduction in border delays by a factor of **2** would lead to an **18%** increase in exports for countries along the transport corridor in Central Asia

Six different gauge systems are used by railroads forming the backbone of the Eurasian Transport Network



Northern Eurasian Corridor



Volume of traffic in 2023:

177.7 million tonnes
2.6 million TEU

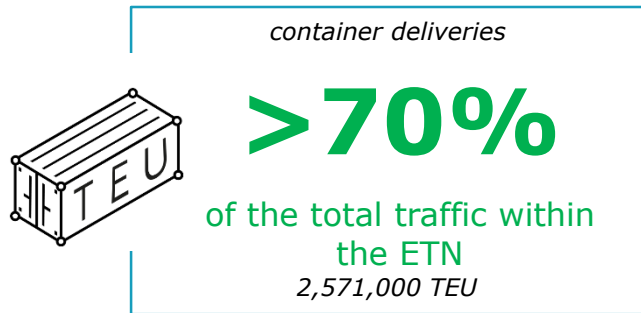
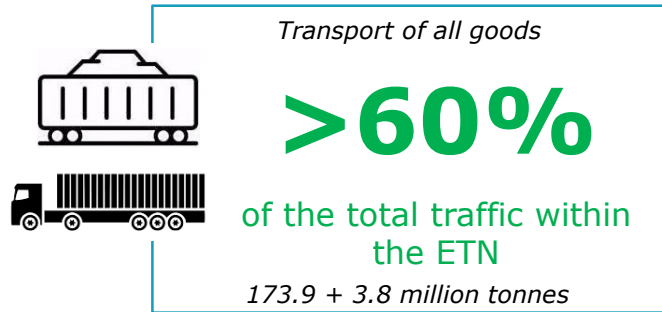
Corridors of Eurasian Transport Network
 Further Development

- Northern Eurasian Corridor
- Other transport corridors and routes
- Transport hub (corridors junction)
- Border crossing point
- Sections under construction

Eurasian Transport Network
 based on UNCTAD negotiations

The busiest Eurasian transport corridor

The volumes of international rail and road traffic are growing steadily



MAIN TYPES OF CARGO:

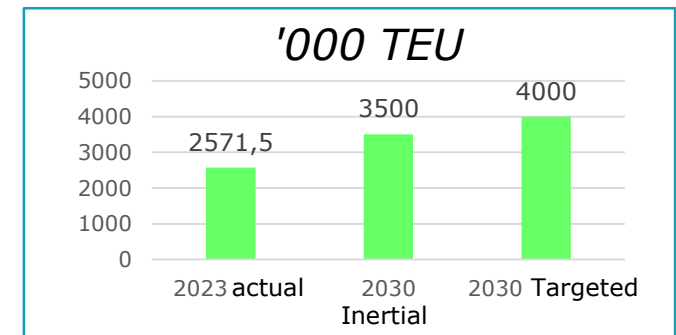
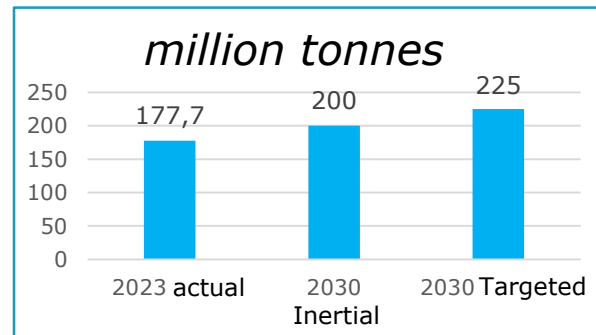


COAL – EXPORTS
CONTAINERS – IMPORTS



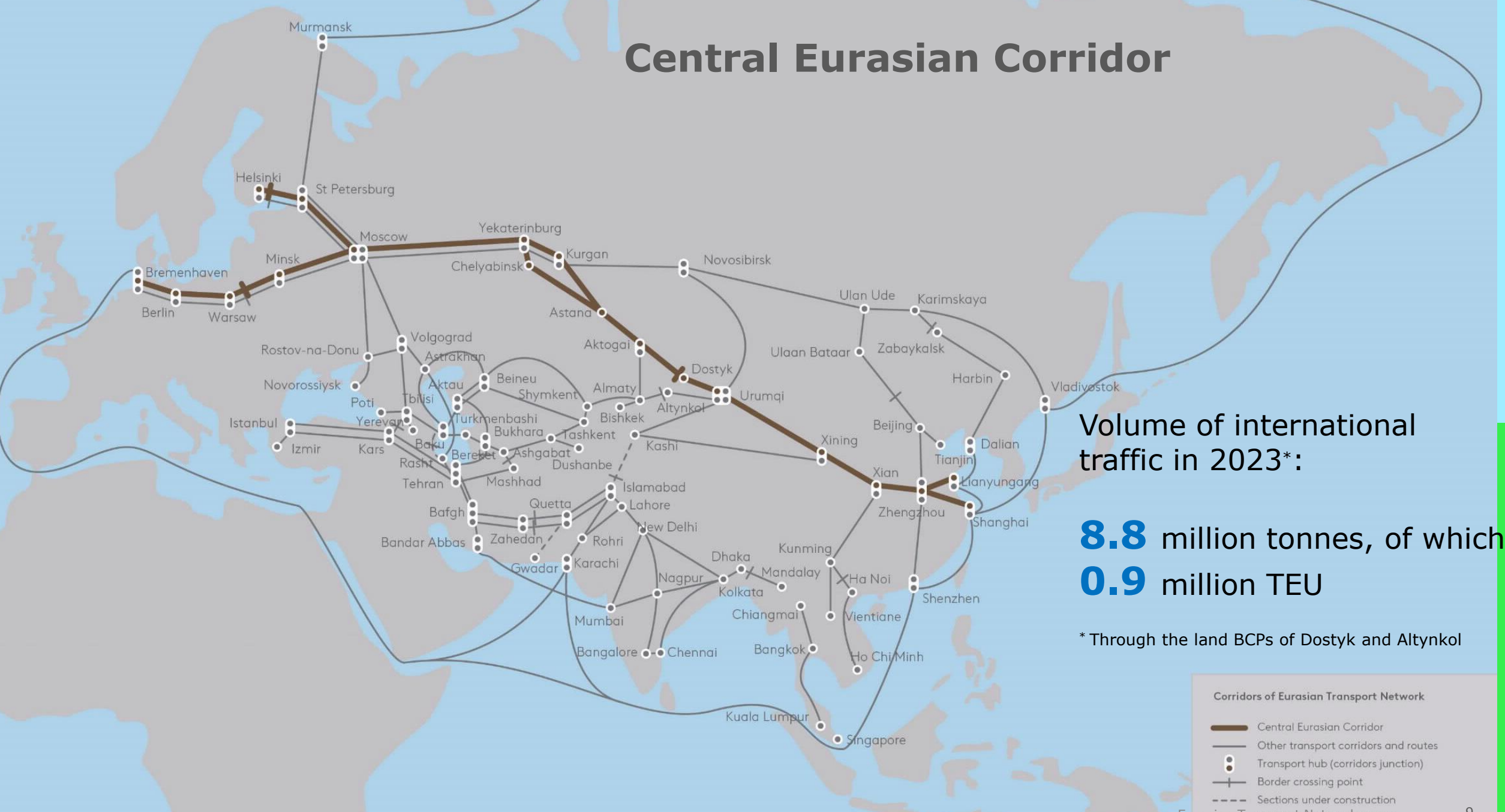
KEY CHALLENGES:

- **THE THROUGHPUT CAPACITY OF THE EASTERN RANGE IS EXHAUSTED**
- IMBALANCES IN FREIGHT DISTRIBUTION BETWEEN TRANSPORT ROUTES
- SHORTAGE OF MODERN TRANSPORT AND LOGISTICS INFRASTRUCTURE



CONNECTIVITY: EAEU countries – China / APR countries, EU countries – China / APR countries
Central Asian countries – China / APR countries

Central Eurasian Corridor



Volume of international traffic in 2023*:

8.8 million tonnes, of which
0.9 million TEU

* Through the land BCPs of Dostyk and Altynkol

Corridors of Eurasian Transport Network

- Central Eurasian Corridor
- Other transport corridors and routes
- Transport hub (corridors junction)
- Border crossing point
- Sections under construction

Eurasian Transport Network
Sections under negotiations

Main China – EU container transit route

The volumes of container transit are growing



Value of transported goods

> 3.5

billion USD

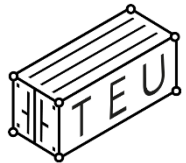
Between PRC – EU / EAEU

container deliveries

95

destinations from the PRC

890,900 TEU



MAIN TYPES OF CARGO:



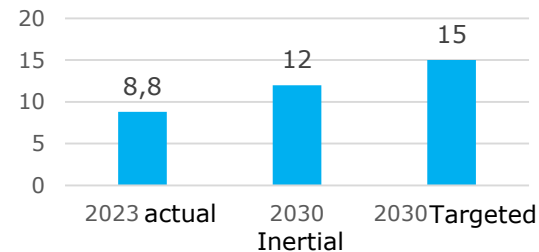
**MACHINERY AND EQUIPMENT,
CHEMICALS, FERTILISERS**



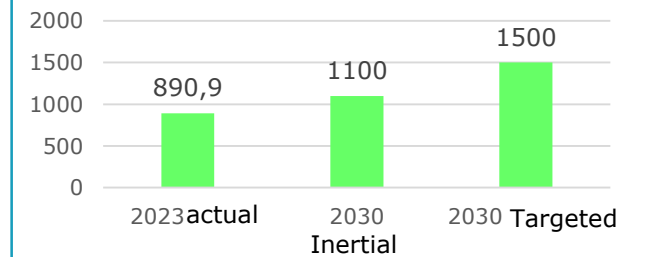
KEY CHALLENGES:

- **HEAVY USE OF DOSTYK AND ALTYNKOL BCPs**
- THE NEED TO IMPROVE THE THROUGHPUT CAPACITY AND EQUIPMENT OF RAILROAD SECTIONS IN KAZAKHSTAN

million tonnes

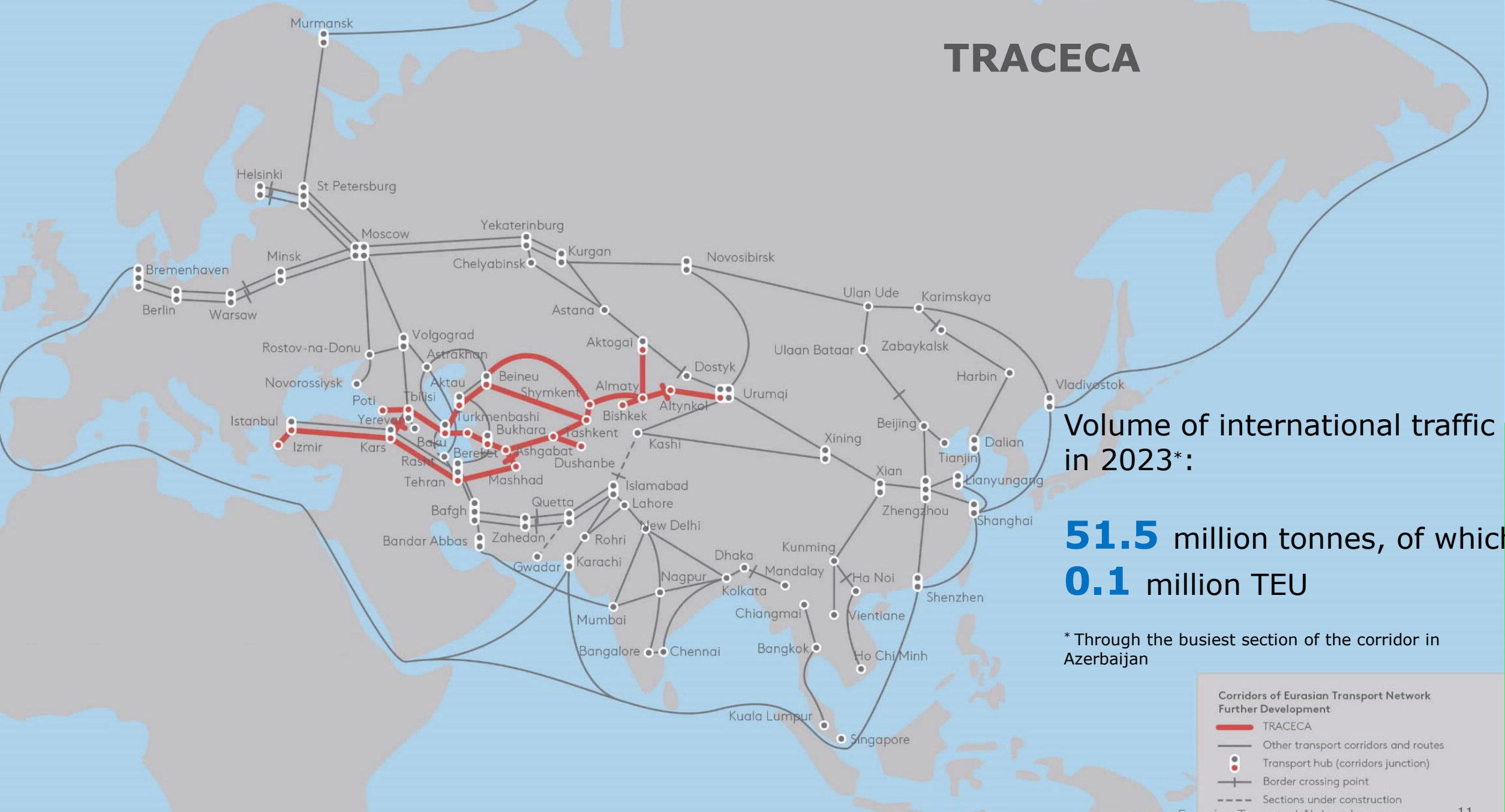


'000 TEU



CONNECTIVITY: China – EU – China / China – EAEU countries – China

TRACECA



Volume of international traffic in 2023*:

51.5 million tonnes, of which **0.1** million TEU

* Through the busiest section of the corridor in Azerbaijan

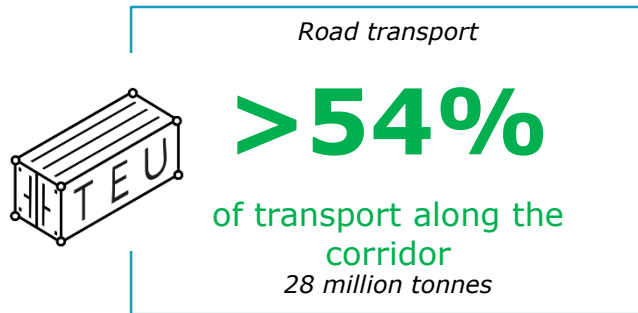
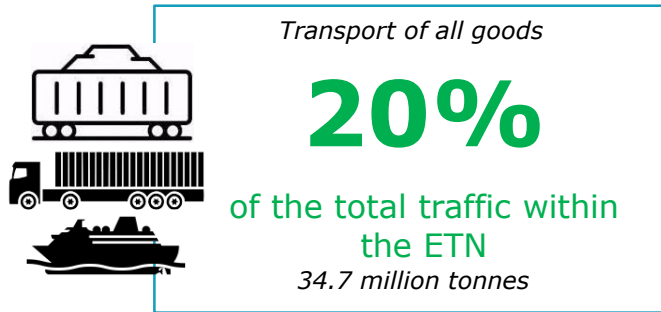
Corridors of Eurasian Transport Network Further Development

- TRACECA
- Other transport corridors and routes
- Transport hub (corridors junction)
- Border crossing point
- Sections under construction

Eurasian Transport Network

Key corridor ensuring transport connectivity in Central Asia

The volumes of container transit are growing



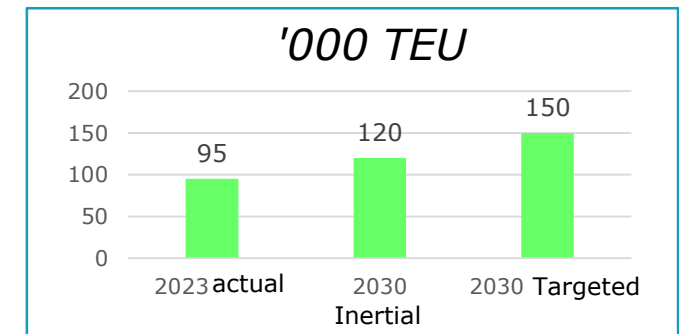
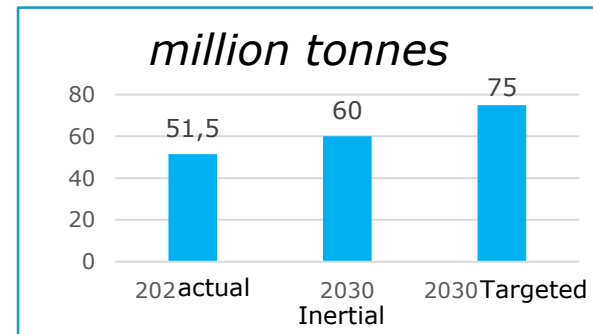
MAIN TYPES OF CARGO:



FOOD,
CONSUMER GOODS

KEY CHALLENGES:

- **SOFT INFRASTRUCTURE, BORDER CROSSING PROCEDURES**
- THE NEED TO IMPROVE THE THROUGHPUT CAPACITY AND EQUIPMENT OF RAILROAD SECTIONS IN CENTRAL ASIA



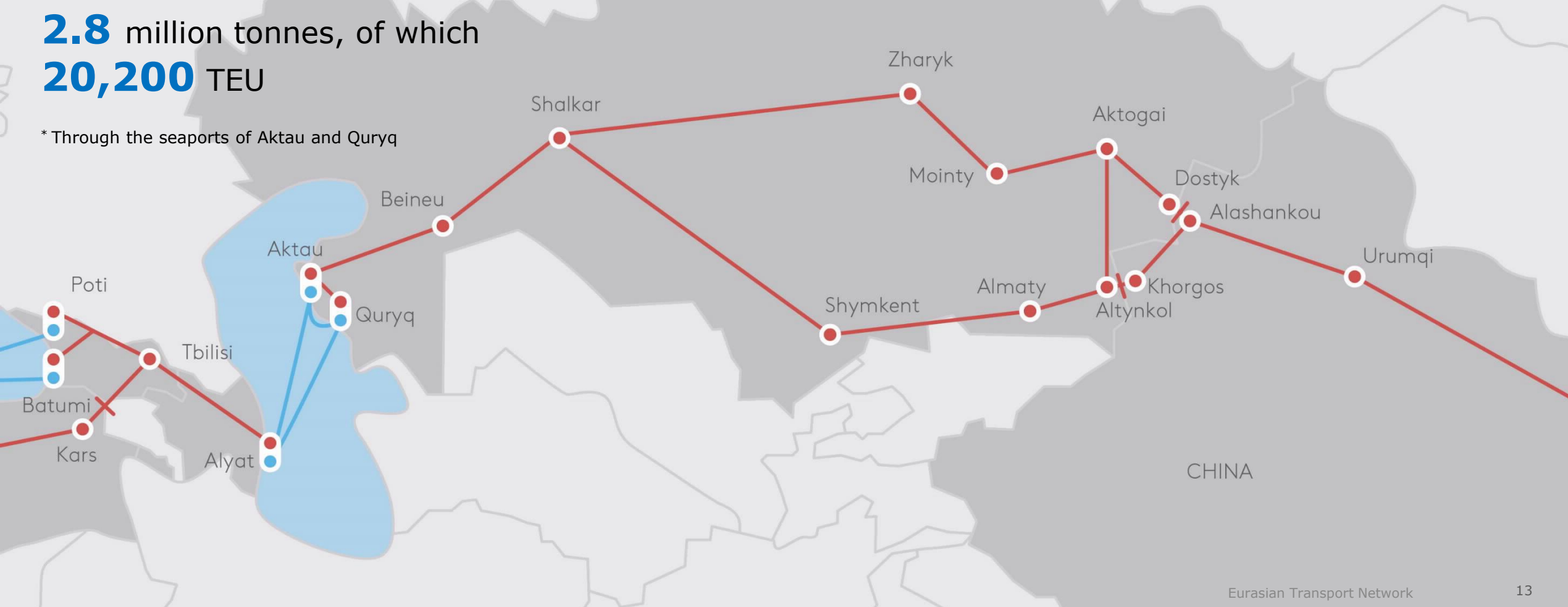
CONNECTIVITY: Central Asian countries, Central Asian countries – China, Central Asian countries – South Caucasus countries – Türkiye/EU

Trans-Caspian International Transport Route (TITR)

Volume of international traffic in 2023*:

2.8 million tonnes, of which
20,200 TEU

* Through the seaports of Aktau and Quryq



Dynamically growing multimodal route

In 2023, the volume of freight traffic increased



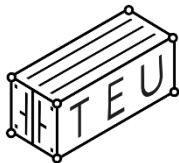
Increase in traffic in 2023

86%

compared to 2022

2.76 million tonnes

Reduced delivery times



by a factor of **2.5**

in 2024 compared to 2022

14-18 days

MAIN TYPES OF CARGO:

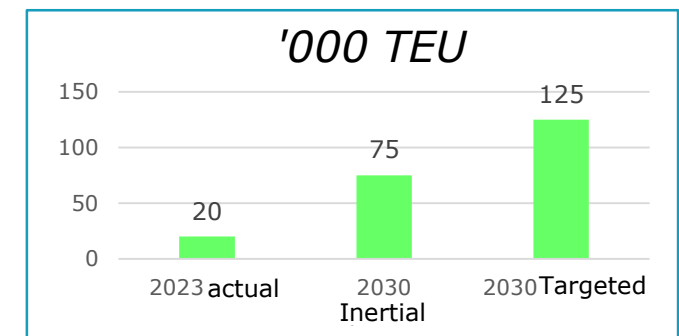
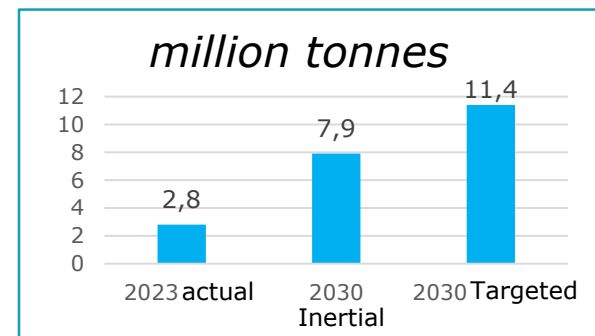


OIL PRODUCTS, METALS, CHEMICALS
CONTAINERISED GOODS



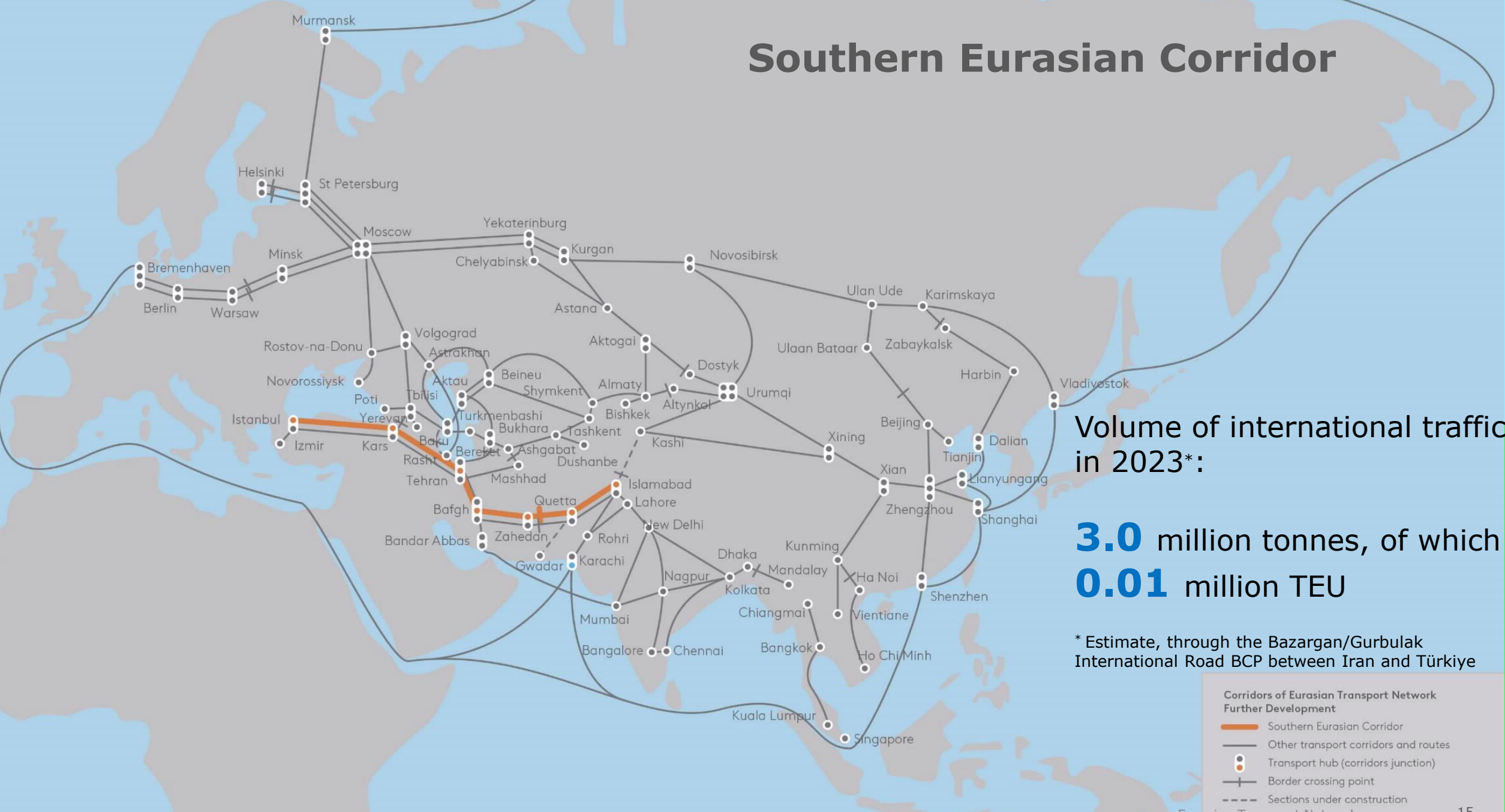
KEY CHALLENGES:

- **LOW THROUGHPUT CAPACITY OF THE AKHALKALAKI-KARS LINE**
- NEED FOR INFRASTRUCTURE DEVELOPMENT AT THE PORTS OF AKTAU AND QURYQ, FLEET REPLENISHMENT IN THE CASPIAN SEA, THE SINGLE-TRACK LINE BETWEEN SHALKAR AND AKTAU PORT



CONNECTIVITY: China – Kazakhstan – South Caucasus countries – Türkiye/EU, China – Kazakhstan – Uzbekistan, Uzbekistan – Kazakhstan – South Caucasus countries – Türkiye/EU

Southern Eurasian Corridor



Volume of international traffic in 2023*:

3.0 million tonnes, of which **0.01** million TEU

* Estimate, through the Bazargan/Gurbulak International Road BCP between Iran and Türkiye

- Corridors of Eurasian Transport Network Further Development
- Southern Eurasian Corridor
 - Other transport corridors and routes
 - Transport hub (corridors junction)
 - ⊕ Border crossing point
 - - - Sections under construction
 - - - Sections under negotiations

INSTC

Volume of international traffic in 2023*:

19 million tonnes, of which
46,600 TEU

* By all modes of transport along three routes of the corridor

Corridors of Eurasian Transport Network
Further Development

- International North-South Transport Corridor
- Other transport corridors and routes
- Transport hub (corridors junction)
- Border crossing point
- Sections under construction

Eurasian Transport Network negotiations

Main meridional corridor

The volumes of international rail, road, and multimodal traffic are growing steadily



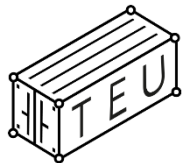
Transport of all goods

>6%

of the total traffic within the ETN

4.2 million tonnes of grain

container deliveries



1.3%

of the total traffic within the ETN

46,600 TEU

MAIN TYPES OF CARGO:



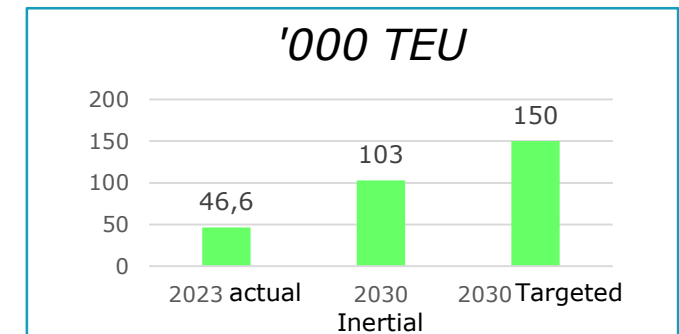
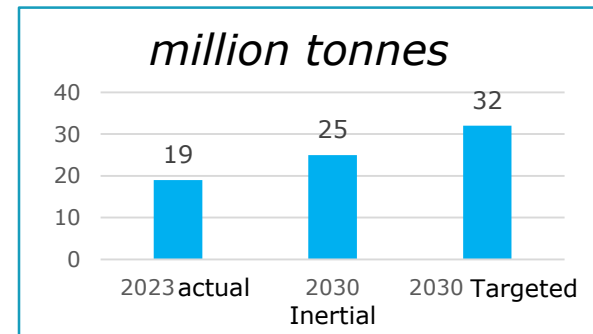
GRAIN – EXPORTS

FOOD – IMPORTS



KEY CHALLENGES:

- **NO RASHT-ASTARA SECTION**
- BOTTLENECKS OF THE RAIL INFRASTRUCTURE IN IRAN AND TURKMENISTAN
- BORDER CROSSING POINTS
- SHORTAGE OF FLEET AND LOGISTICS INFRASTRUCTURE



CONNECTIVITY: EAEU countries – Iran / India / South Asia / Middle East

Central Asian countries – Iran / India / South Asia / Middle East

EATL Road Route 9 (Russia – Mongolia – China)

Estimate of potential international traffic*:

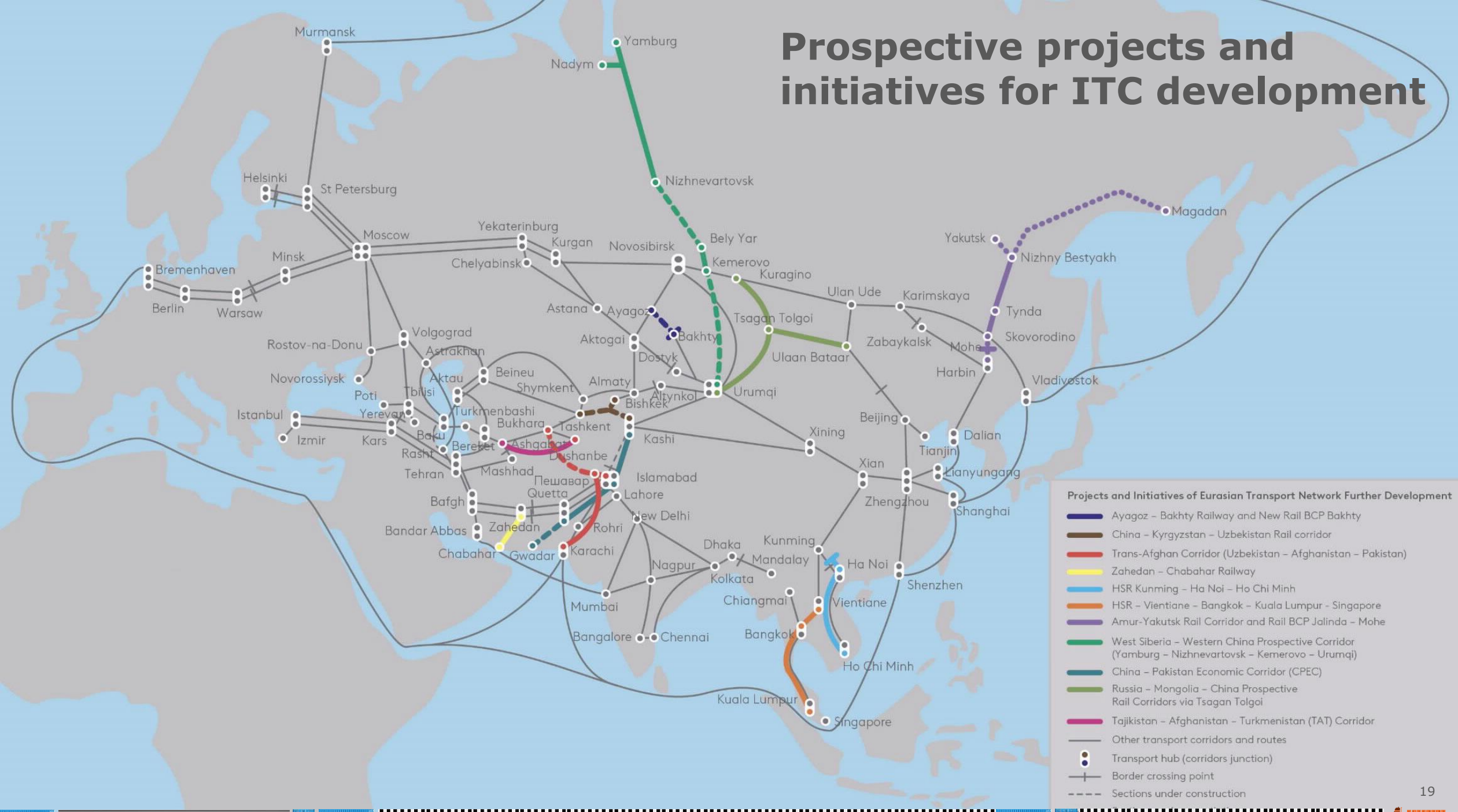
1 million tonnes

* which corresponds to the intensity of 4 trucks per hour in each direction

- Corridors of Eurasian Transport Network
Further Development
- EATL9 Road Route
 - Other transport corridors and routes
 - Transport hub (corridors junction)
 - +— Border crossing point
 - - - Sections under construction
 - ⋯ Sections under negotiations

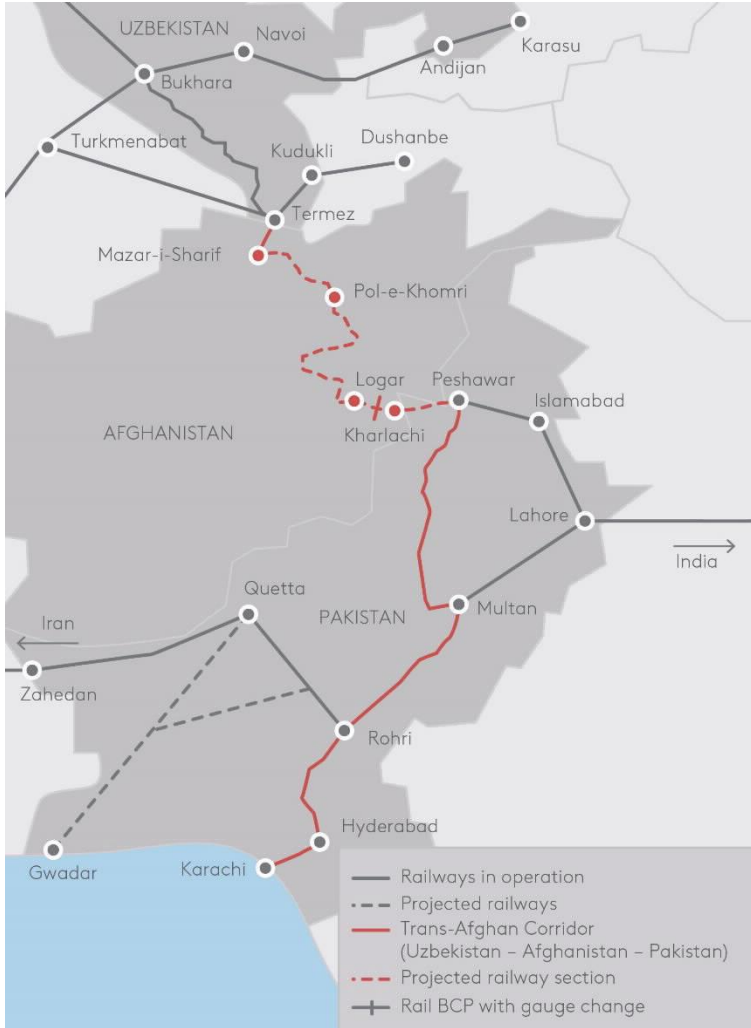


Prospective projects and initiatives for ITC development

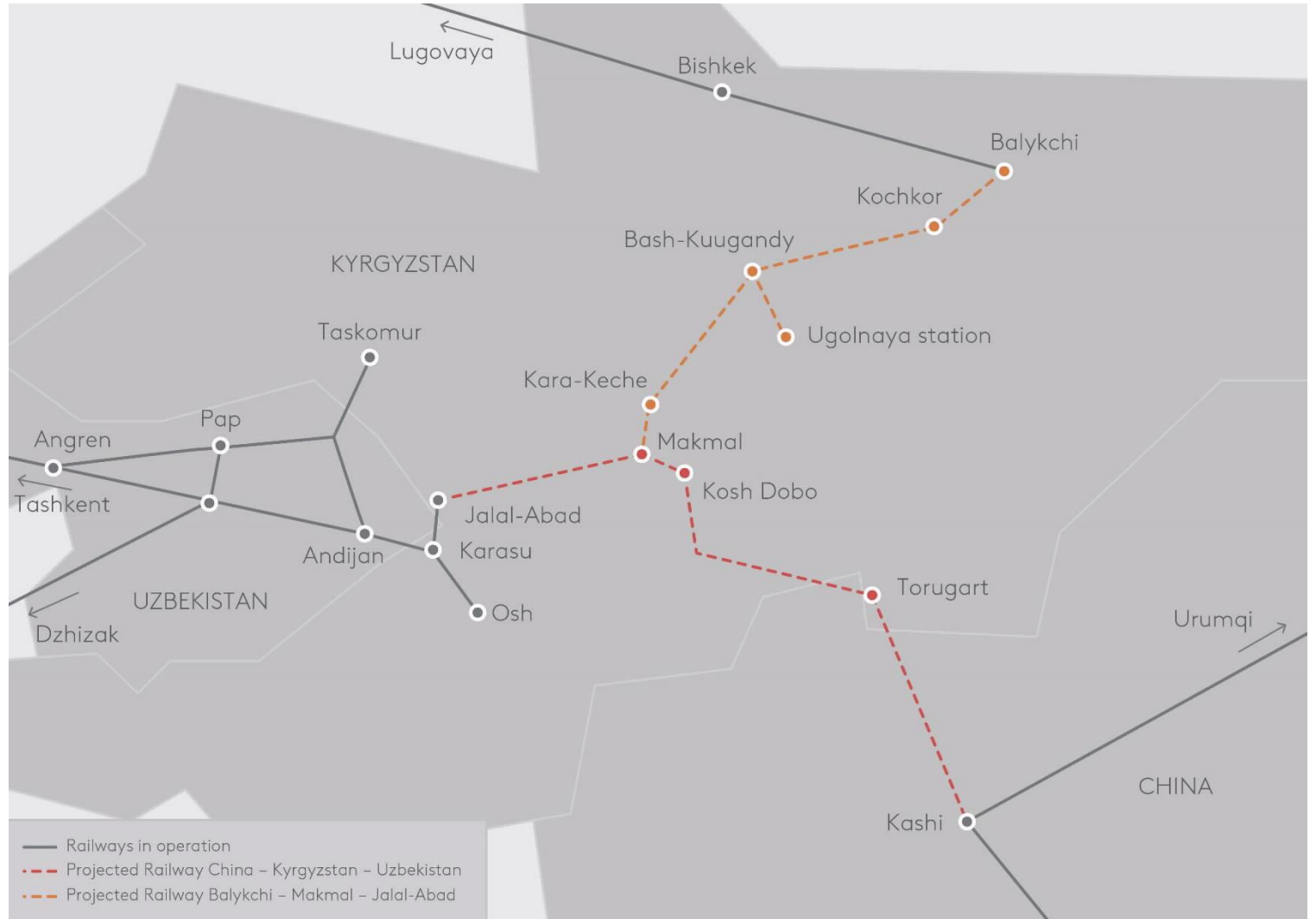


Prospective projects and initiatives for ITC development

Trans-Afghan corridor construction project

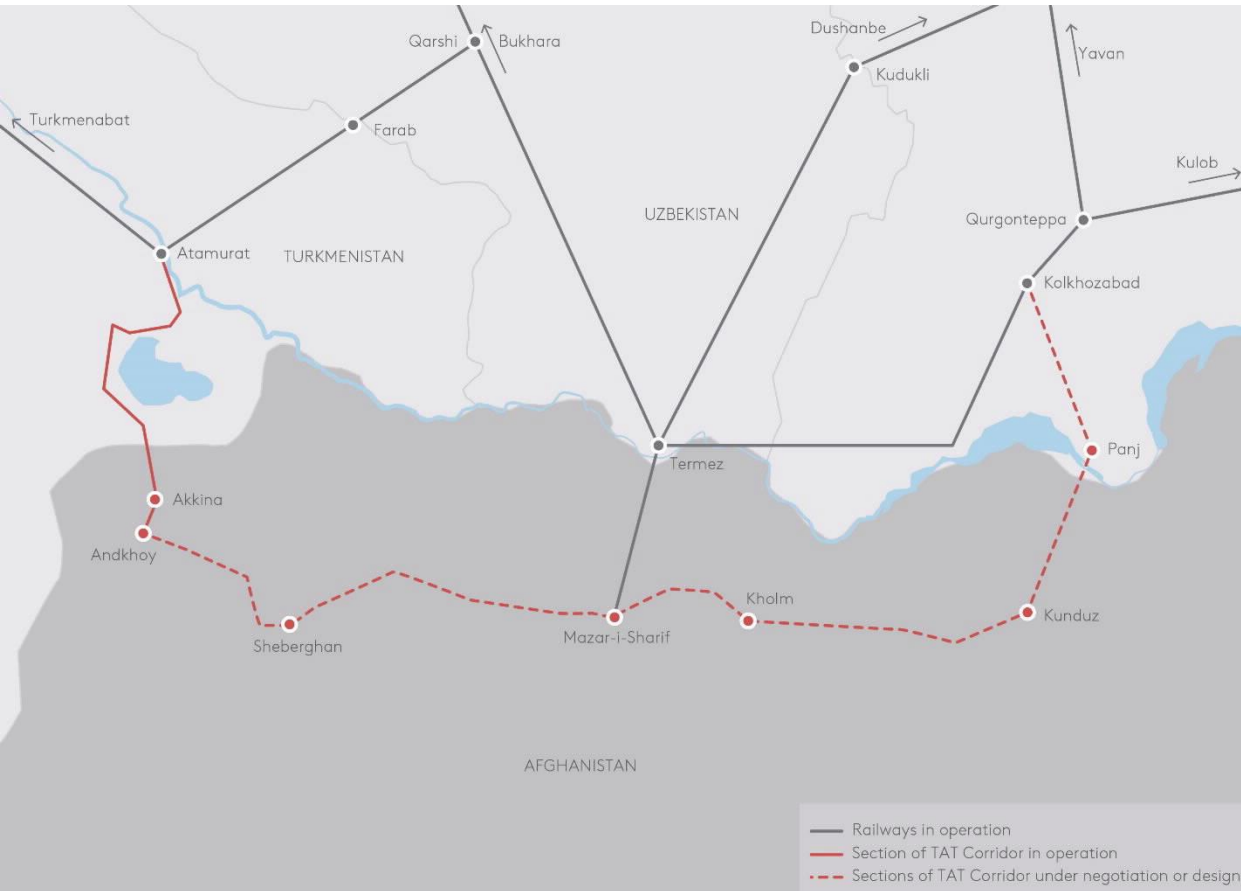


China-Kyrgyzstan-Uzbekistan corridor project

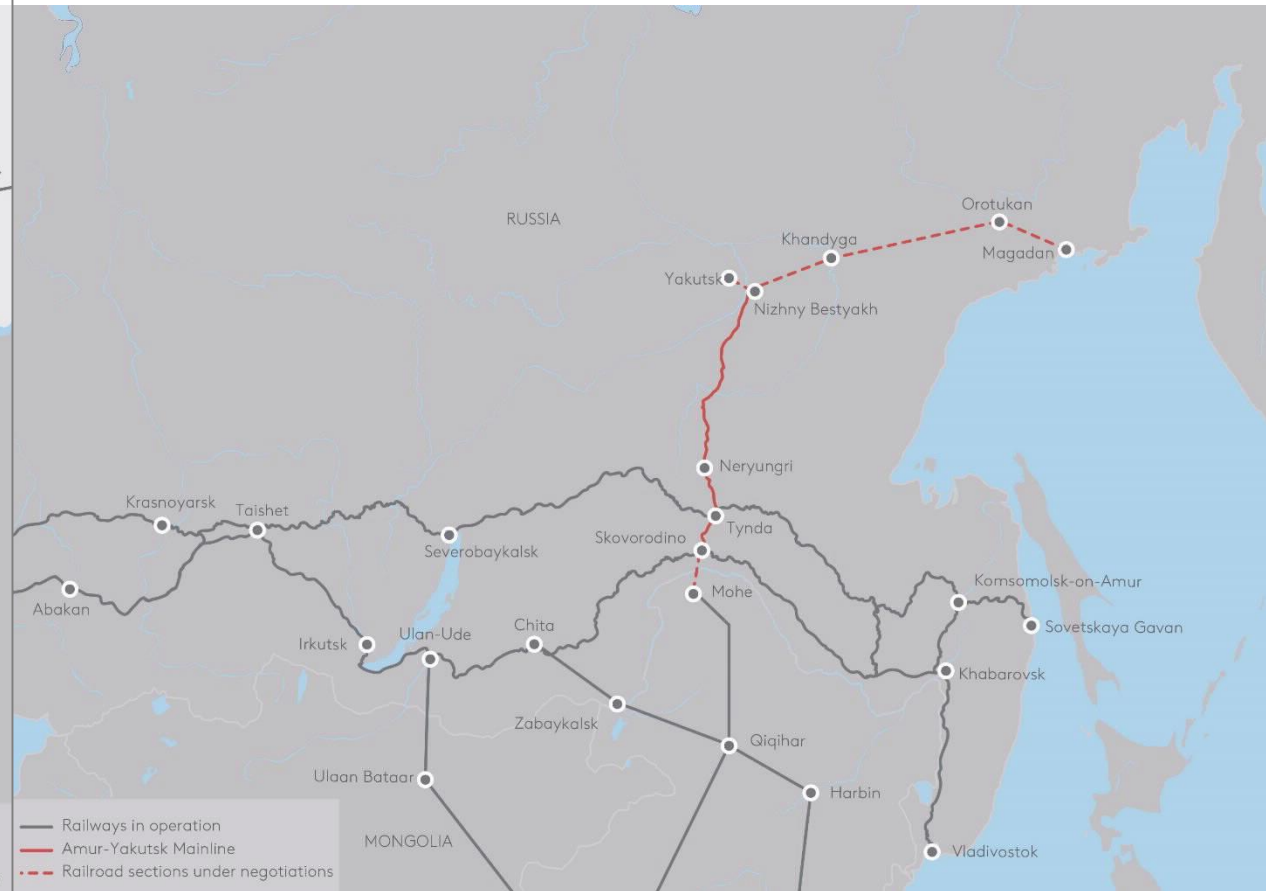


Prospective projects and initiatives for ITC development

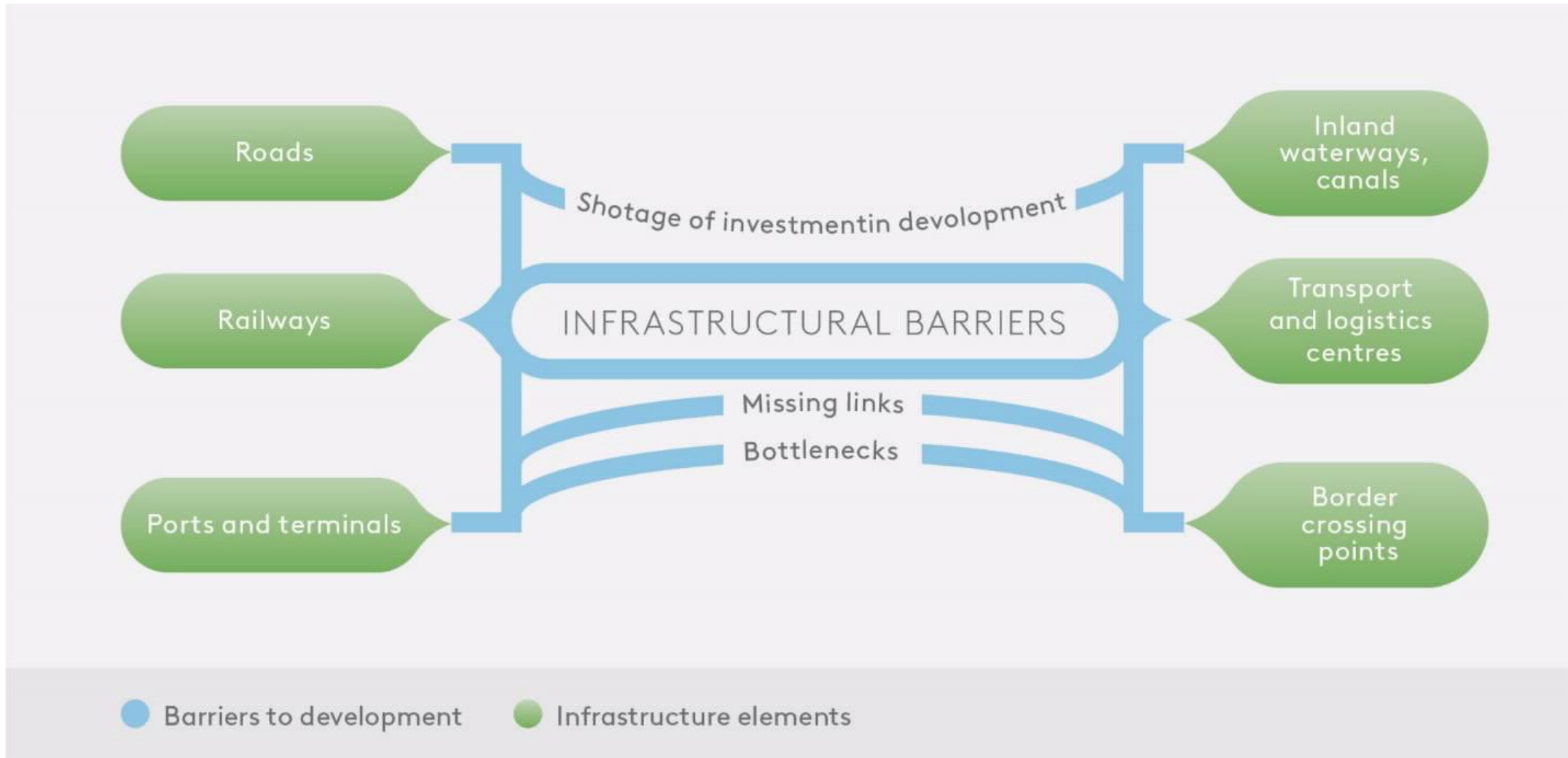
TAT corridor project (Tajikistan–Afghanistan–Turkmenistan)



Amur–Yakutsk Mainline project with the prospective Russia–China Jalinda/Mohe Railroad BCP



Bottlenecks and missing links of the Eurasian Transport Network



Role of the non-governmental sector and development banks in the implementation of infrastructure projects

- ➡ A **significant part** of ETN projects is financed by national budgets
- ➡ The initiation of “**bankable**” projects will help attract funds from private investors and international development banks
- ➡ **Auxiliary infrastructure** development projects are of particular interest to external investors – they are quick to implement and can generate cash flow during operation
- ➡ **PPPs** are an internationally recognised mechanism for attracting finance for transport projects. The region has great potential for implementing **cross-border PPP** projects



Eurasian Transport Network infrastructure projects potentially attractive to MDBs



Toll motorways (mainline sections, bridges, tunnels, city bypasses, toll expressways within cities, etc.).

Transport infrastructure facilities, the operation of which generates cash flow (airports, seaport terminals, certain sections of railroads, urban transport infrastructure)



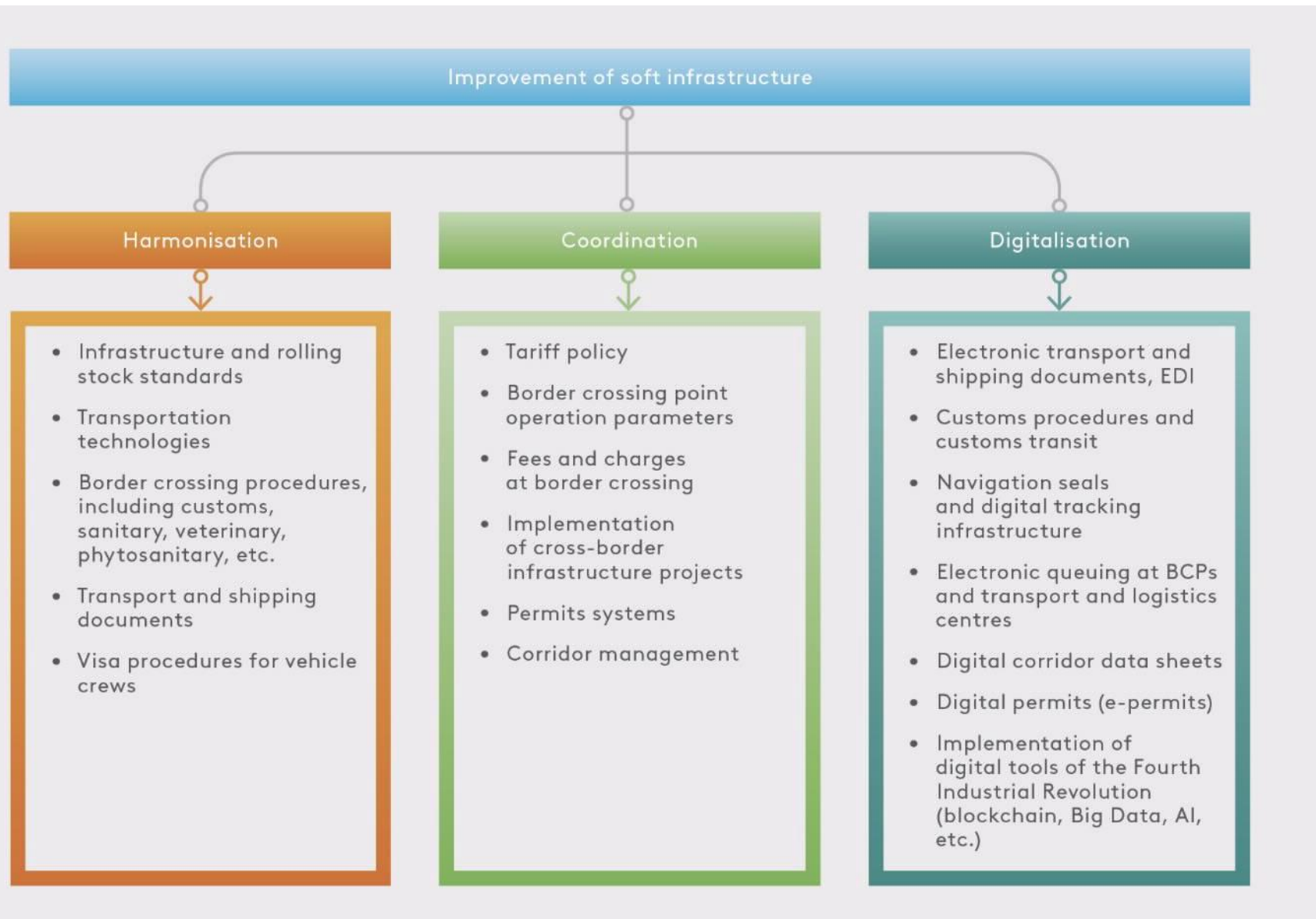
Auxiliary transport infrastructure (roadside service facilities, transport and logistics hubs, "dry ports", etc.).

Fleet of vehicles, fleet of vessels (ships, wagons, containers, road vehicles used for commercial transport)



Customs

Border crossing points (Türkiye's experience)



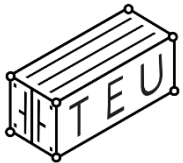
The effects of transport infrastructure investment projects can only be achieved if the **soft infrastructure** is improved



Key measures to improve soft infrastructure

Creation of a single operator

10x



A **10-fold** increase in container traffic in **5 years** after the creation of the Single Operator

Use of the end-to-end tariff

1:3



Every **1%** of reduction in the tariff for freight transport along the ITC generates a **3%** increase in the demand for transport

Transition to electronic document management

4 days



Transition to using digital shipping documents saves up to 4 days at BCPs and transshipment

Effects

Corridor Management Coordination Mechanism

Շնորհակալութիւնս ուշադրութեան համար.

Дзякуй за ўвагу!

Назар аударғандарыңызға рахмет!

Назар салганыңыздарга рахмат!

Благодарю за внимание!

Раҳмати калон!



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