

# Importance of the Trans-Caspian Corridor for the Danube Region?

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## Overall trends

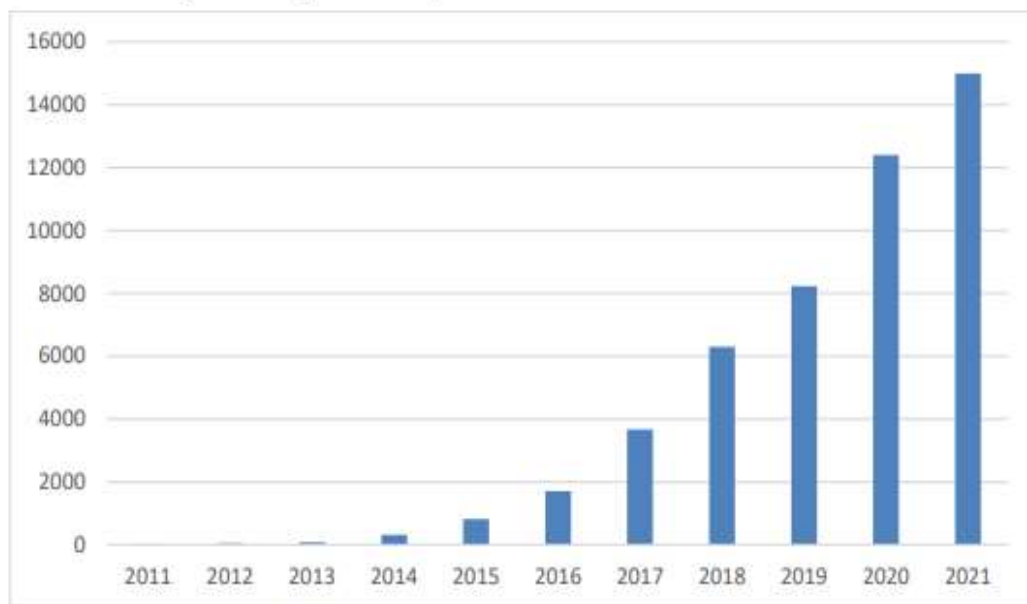
- Trade between Europe and Asia currently at USD 3.1 trillion (ITC 2021)
- China-Europe freight trains surpass 15,000 yearly. In May 2022 alone, China-Europe freight container trains transported TEU 129,500
- Maritime container freight rates feature a steep increase, e.g. ocean shipping costs per container from China to Türkiye were in 2018 at ca. USD 2,500 USD/ currently at USD 14,000
- Container shortages



Increased ocean shipping rates lead to a further increase of rail freight movements

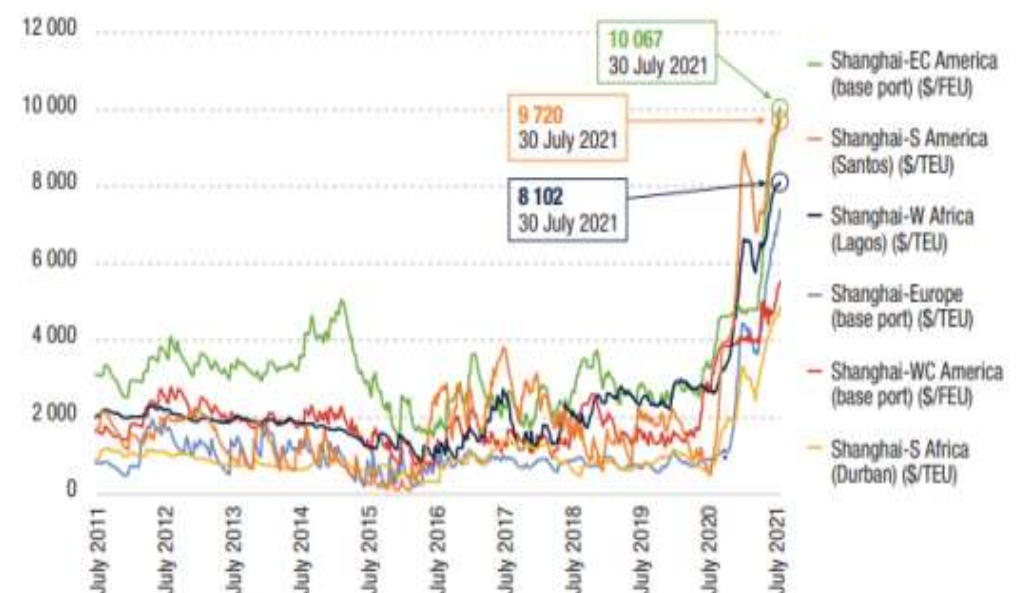
➡ Opportunity for the Trans-Caspian and Almaty-Istanbul Corridors

Figure II  
China-Europe rail freight train shipments



Source: New Silk Road Discovery (2022)<sup>9</sup>

Figure I  
Shanghai-Europe Ocean shipping price history



Source: UNCTAD, 2022



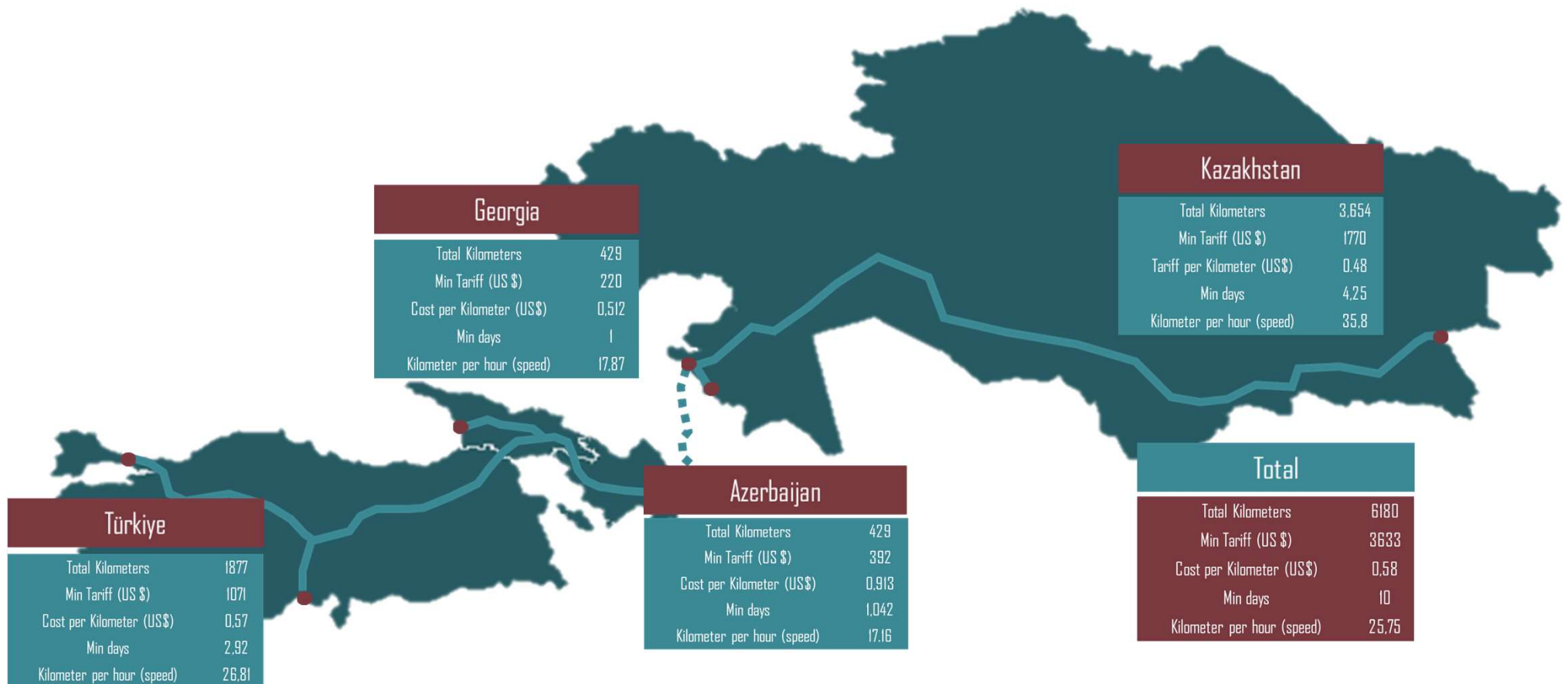
# SWOT analysis – Trans-Caspian



Strengths	Weaknesses	Opportunities	Threats
<p>Strong Government commitment to improve and attract additional cargo flows</p> <p>Many ongoing international initiatives</p> <p>High potential infrastructure projects are being implemented, e.g.:</p> <ul style="list-style-type: none"> <li>• In Azerbaijan and Georgia (Baku and Poti (deep) seaports)</li> <li>• In Türkiye: doubling of the Plovdiv-Istanbul line including upgrades to the Svilengrad-Kapıkule border crossing in Bulgaria planned</li> <li>• High speed railway development program linking, e.g., Istanbul-Edirne, Ankara-Izmir</li> </ul>	<p>Scarcity of active players on the corridor/ lack of a powerful integrator / facilitator / coordinator</p> <p>Lack of a centralized entity that drives the cargo flows on EATL route 3 (clients need to interact with one entity for the whole service instead of with three or four carriers;)</p> <p>Limited scheduled train services (confidence by the market is built when regular, trusted, and efficient services are provided)</p> <p>Limited and non-scheduled ferry services</p> <p>Interoperability challenges, different customs and consignment regimes, different gauge width</p> <p>Too many international/ regional initiatives and undertakings, sometimes competing and lacking coordination</p> <p>Lack of data digitization and CIM/SMGS harmonization complicating processes</p>	<p>Rail sector is increasingly recognized as environmentally sustainable creating powerful momentum for the sector</p> <p>Countries along the corridors ready to commit to corridor development</p> <p>High demand potential for countries in catchment and for specific categories goods</p> <p>Harmonization and digitalization of customs and transport documents can provide quick gains</p>	<p>Other EATL routes are still outperforming in terms of transit time and costs, reliability, and complexity</p> <p>Parts of the demand for EATL route 3 are diverted to other routes, to avoid certain inefficiencies</p> <p>Chinese subsidies are currently focused on Northern corridors</p> <p>Many countries trying to attract increased volumes individually – lack of a collective Whole of Corridor approach</p>



# Trans-Caspian route



# Trans-Caspian route



Corridor based action is needed:

- To establish corridor-wide agreed timetables and tariffs as well as *en route* border crossing point efficiency for rail freight transport on both the Trans-Caspian and the Almaty-Istanbul corridors
- To agree on a prioritized list of actions to be taken in relation to harmonization of existing tariffs, services, and time schedules and to overcome remaining physical/ non-physical challenges and bottlenecks
- To facilitate the regular container block train operations on both corridors



# Coordination Committee on the Trans-Caspian and Almaty-Tehran-Istanbul Corridors

## Membership and 2023-2025 biennial programme of work



**Membership to date:** Azerbaijan, Georgia, Iran (Islamic Republic of), Turkiye, Kazakhstan, Kyrgyz Republic, Turkmenistan and Uzbekistan

### Biennial programme of work:

- **Cluster 1:** Evaluation and prioritization of transport infrastructure construction and renewal requirements as well as missing infrastructure links
- **Cluster 2:** Digitalization, harmonization, and standardization of transport documents in use on the corridors
- **Cluster 3:** Assessment of the availability of reliable corridor-wide agreed timetables and tariffs
- **Cluster 4:** Evaluation of en-route border crossing efficiency as well as identification, prioritization, and implementation of border crossing facilitation initiatives
- **Cluster 5:** Strengthening economic viability and resilience as well as environmental performance of the corridors

# Coordination Committee on the Trans-Caspian and Almaty-Tehran-Istanbul Corridors

## Convenings from September 2023 to date



### Convenings from September 2023 to date:

- Fourth session, 11 December 2023, Geneva and online
- Bilateral consultations with Coordination Committee members on a per country basis - March and April 2024 - online
- “Geographic Information System Awareness Raising Workshop”, 2 May 2024, online
- Fifth session, Astana, 3-4 June 2024, in-person
- Back-to-back with the Fifth session, Astana, 5 June 2024, “Awareness raising workshop on benefits of accession to and implementation of the Convention on the Contract for International Carriage of Goods by Rail” (First Convention of the system of URL Conventions)
- *(Forthcoming)* Sixth session, Tbilisi, 7-9 October 2024, in-person



# **SPECA Roadmap for the Digitalization of Multimodal Data and Document Exchange along the Trans-Caspian Transport Corridor**



Adopted at the Summit of Presidents of States held in Baku, 24/11/2023

- Takes note of the work done on the effective implementation of the UN legal instruments related to transport, and
- Recognizes the historical value of digitalization of transport services on the Trans-Caspian Transport Corridor

## **Elements**

- eTIR/eTIR
- eCMR/eCMR
- Uniform Railway Law

## **Support**

SPECA Working Group on Sustainable Transport, Transit and Connectivity

Coordination Committee for the Trans-Caspian Corridor and the Almaty-Tehran-Istanbul Corridor

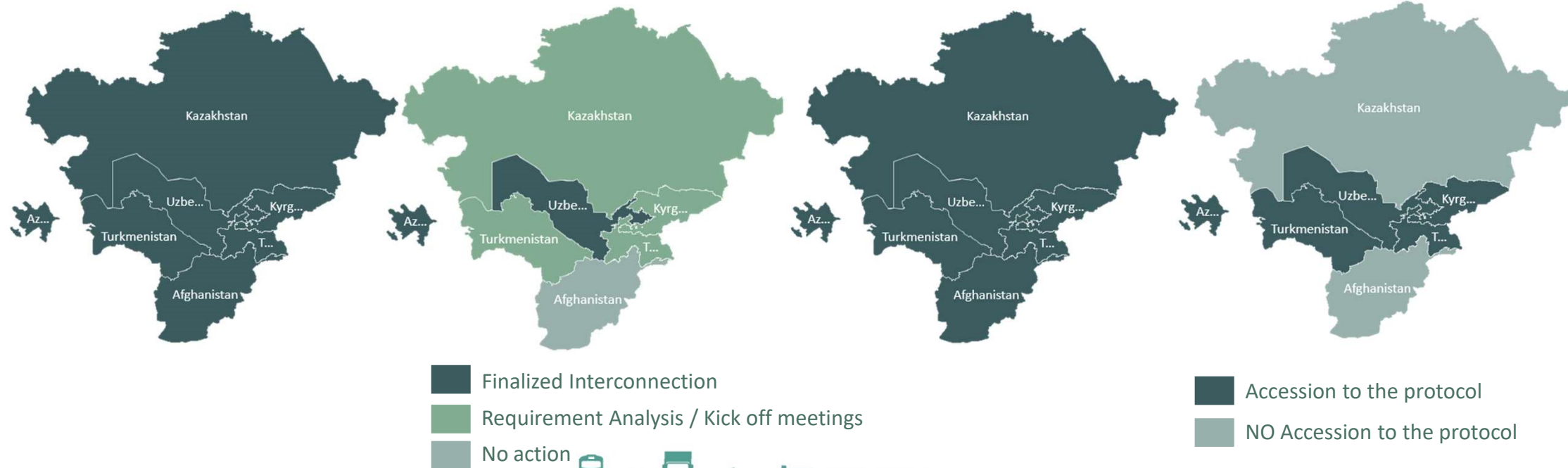
# SPECA Countries accession / use of TIR/eTIR, CMR/eCMR

## Accession to the TIR Convention

## Interconnection to the eTIR International System

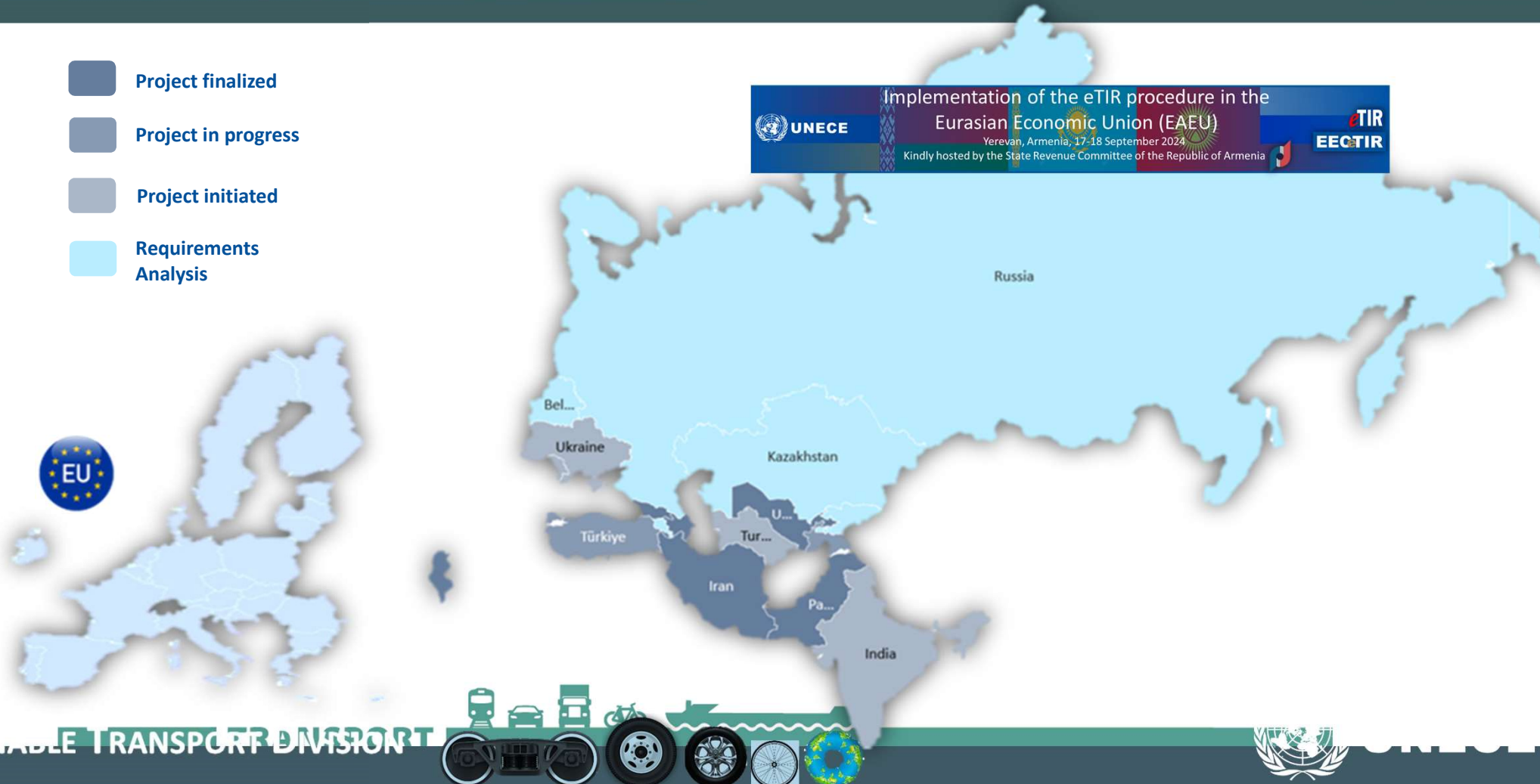
## Accession to the CMR Convention

## Accession to the eCMR Protocol



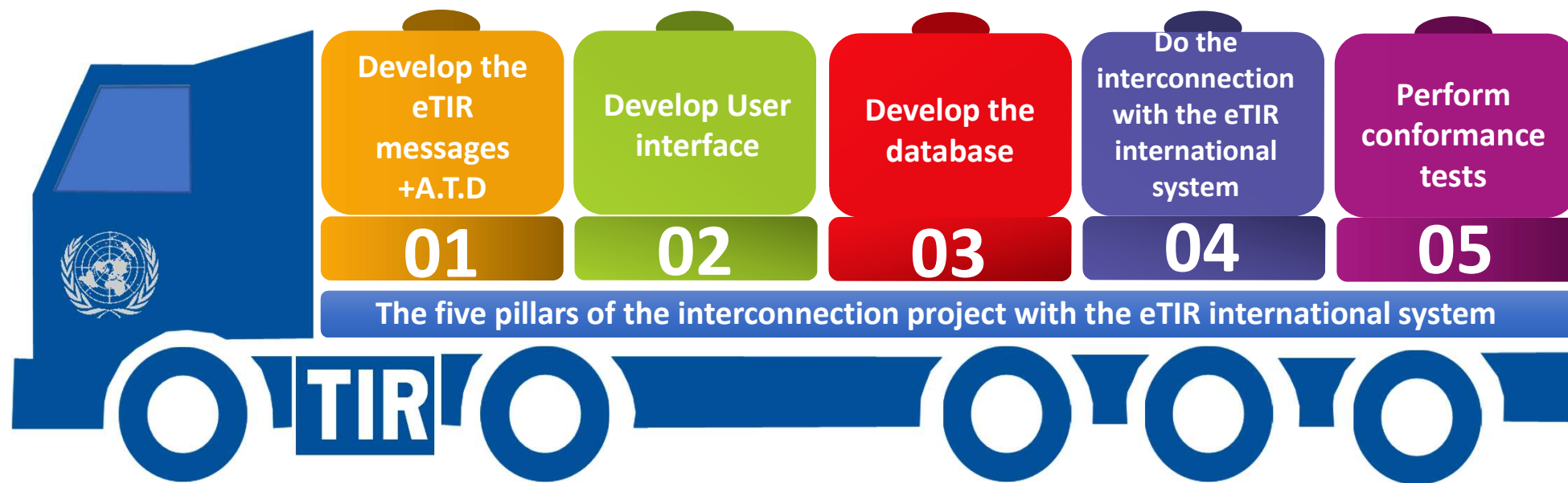
# Interconnection to the eTIR International System - Projects

-  Project finalized
-  Project in progress
-  Project initiated
-  Requirements Analysis

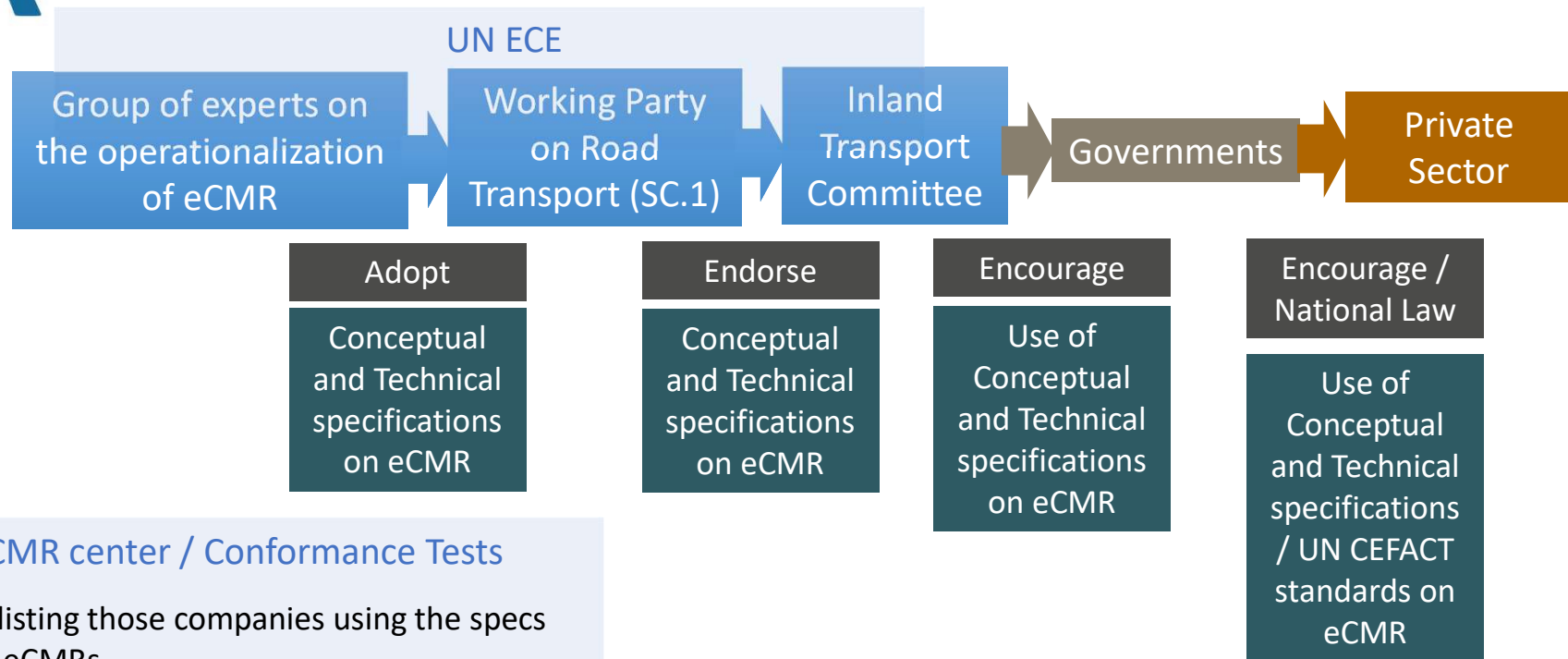




# Direct Interconnection with the



# eCMR Functional and Technical specifications / UN CEFAC standards



## UN ECE / eCMR center / Conformance Tests

- Online tool listing those companies using the specs to generate eCMRs
- Online tool performing conformance tests

*\*Possible solution*

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# Convention on the Contract of International Carriage of Goods by Rail (URL 1)



- Aim: To bridge the two existing systems of CIM and SMGS.



- with:
  - ① International Legal Regime
  - ① Contract of Carriage
  - ① Liability Regime
  - ① System that can be applied globally (Africa/America/Asia)
  - ① Consignment Note

**No need for reconsignment at border for carriage between CIM and SMGS**





# Thank you

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