

PAGEO

PALLAS ATHÉNÉ
GEOPOLITIKAI
ALAPÍTVÁNY

Hungary and Eurasian Rail Transportation: Current Situation and Possible Trends

VIKTOR ESZTERHAI

SENIOR RESEARCHER

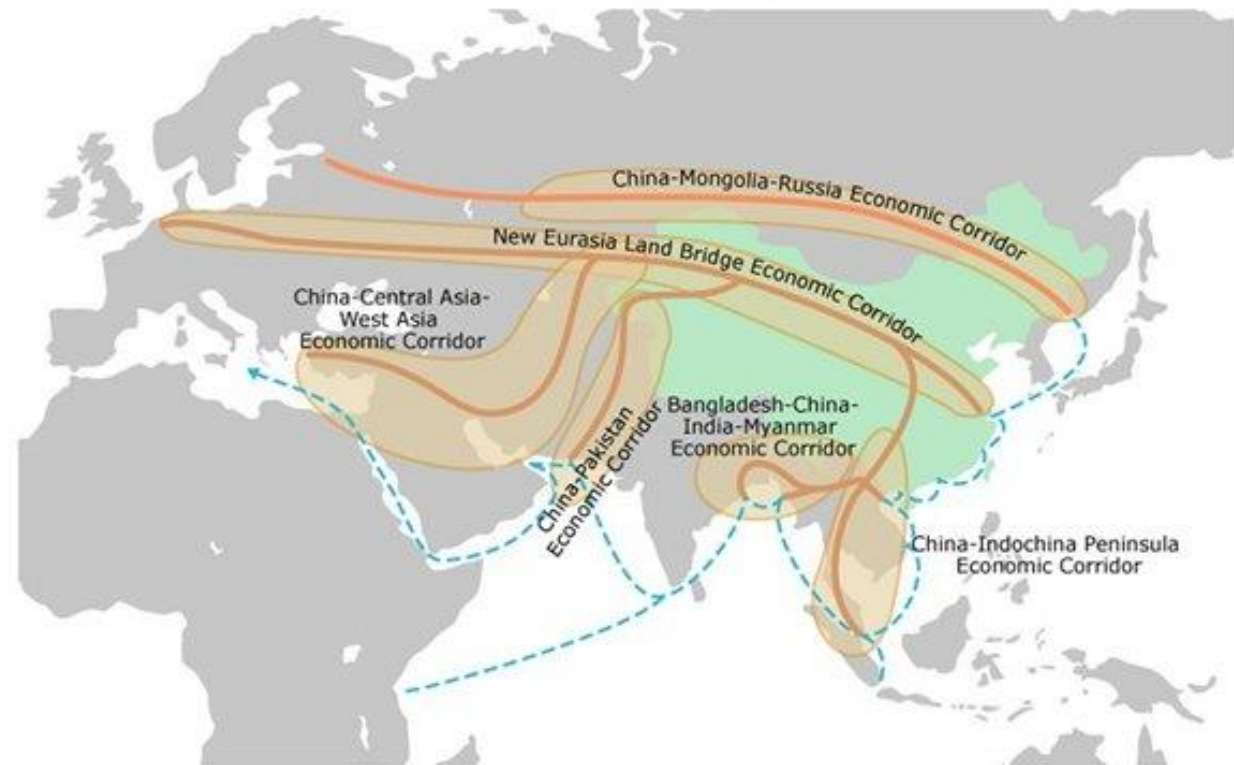




BRI and Hungary

- High expectations:
 - 3 economic corridors related to Hungary
- Can Hungary be a *hub* within the trans-continental rail network of the BRI?
- Can the trans-continental rail transportation play a significant role in the development of the

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa





iron silk road

Text and graphic: Theo Deutinger and Kit Chow

With China on the rise and Europe standing strong, Eurasia is rapidly becoming the world's new economic centre. Clogged seaports and a vulnerable air-transport system have shifted the focus to a network of railways – also known as the Iron Silk Road – intended to shrink today's supercontinent in the coming years. The project is aimed at shortening the time of bulk consumer-goods transport between China and Europe and, at the same time, unlock the cities at the heart of Eurasia. Thanks to their strategic position, creating better access to these cities will greatly facilitate the ability of their inhabitants to travel and do business throughout the vast area served by the new network.

The Northern Corridor of the Iron Silk Road largely follows the existing Trans-Siberian Railway, while the Central Corridor mainly traces the route of the ancient Silk Road to Beijing. The Southern Corridor faces political barriers but will eventually connect the highly populated countries of Turkey, Iran, Pakistan and India with Europe and China.

Pressing ahead enthusiastically with the Iron Silk Road project, China is not only establishing a high speed train network inside the country but also planning and building railways along the routes as far as Turkey (a contractual agreement was signed at the end of 2010), an operation that will turn Turkey into Europe's gatekeeper.

The Iron Silk Road will interlink about 75 per cent of the world's population in more than 40 countries in Asia and Europe. China hopes to complete its massive infrastructure project within ten years. It will include at least one line running 320 km/hour and will shorten land-transport time between London and Beijing from 15 to only two days – if Europe is willing to connect, that is.

Legend

- break-of-gauge rail gauge sizes: Standard (Europe, China, Turkey & Iran): 1435mm South East Asia: 1000mm Former Soviet Union: 1520mm India & Pakistan: 1676mm
- Black Sea & Caspian Sea harbour
- world's top 15 busiest container ports
- important city on the ancient silk road
- important city on the new silk road

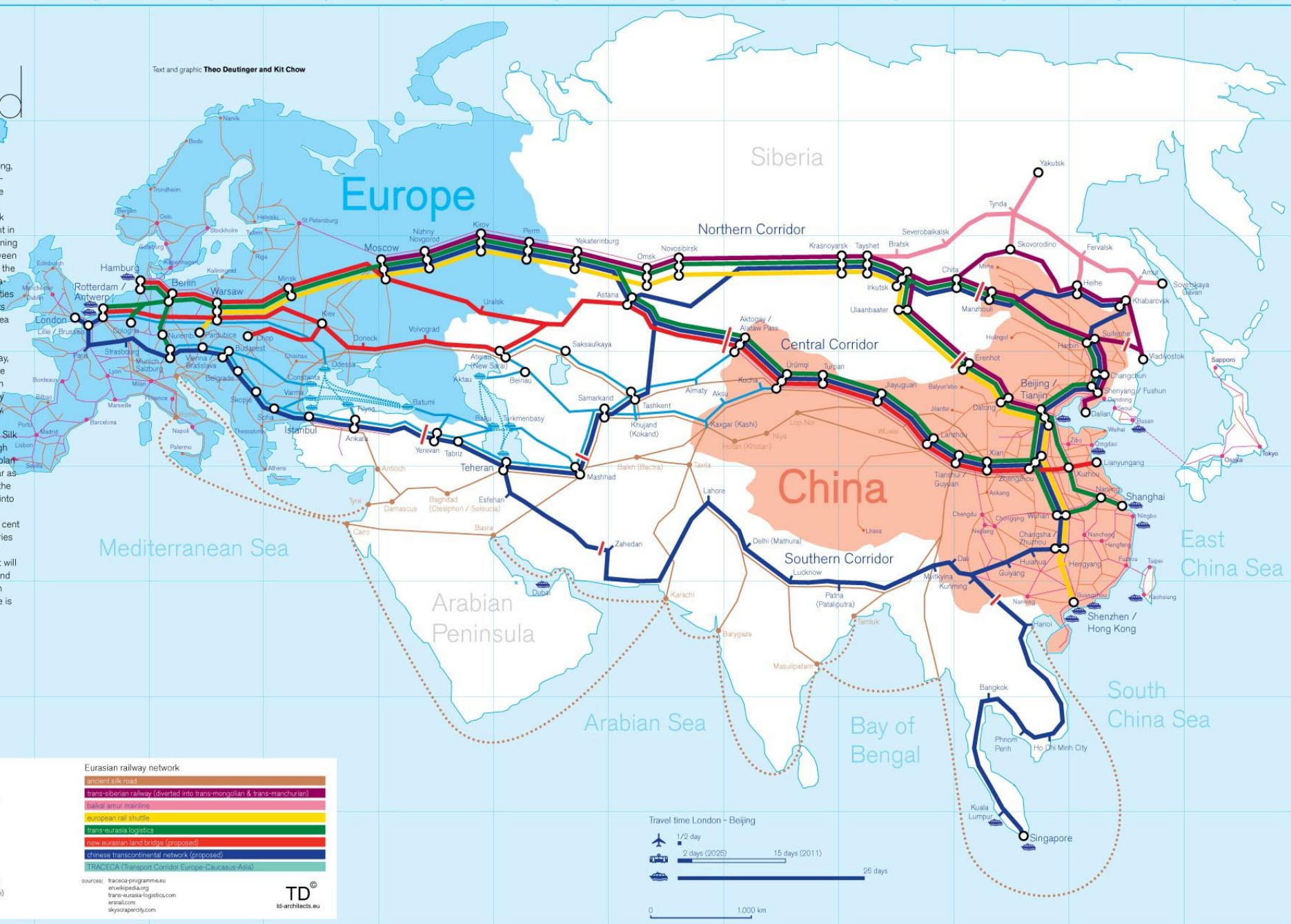
major local railway network (Europe & China)
high-speed railway network by 2020 (>250 km/h)
existing major railway network

Eurasian railway network

- ancient silk road
- trans-siberian railway (diverted into trans-mongolian & trans-manchurian)
- baikal amur mainline
- europa-eurasia shuttle
- trans-eurasia logistics
- new eurasian land bridge (proposed)
- chinese transcontinental network (proposed)
- TRACECA (Transport Corridor Europe-Caucasus-Asia)

sources: traceca-programme.eu
en.wikipedia.org
trans-eurasia-logistics.com
enrail.com
skytransportcity.com

TD[®]
td-architects.eu





Freight trade between China and the EU



- 3,673 freight trains in 2017 (200,000 TEU)
- 4% of overall EU-China trade in 2016 (US\$ 22.9 billion)
- Added value for EU states: US\$ 0.28 billion:
 - 72% tariff settlements
 - 17% logistic services
 - 5% rail infrastructure and rolling stock available to contractors



Northern and Central Corridor: Hungary

回程：布达佩斯 - 长沙
Eastbound: Budapest - Changsha

- 发车ETD：周四 Thursday
- 在途 TT：15-17天/Day
- 频率 frequency：每周一列 Weekly



微信号: HNXOKX

- “湘欧快线”(Xiang Ou express): weekly Changsa-Budapest (via Ukraine)
- Operator: CECZ CENTRAL EUROPE LTD
- 1% (est.) of total EU-China freight trade in 2018!
- Total trade: 0.2 billion EUR (est.)
- Added value for Hungary: several million EUR



Northern and Central Corridor: Hungary



OPPORTUNITIES:

- Malaszewicze/Brest is overcrowded (trains stop for 2-3 days instead of 18 hours) – Záhony both standard and broad gauge railway lines
- New actors: Rail Cargo Group (RCG) freight division of ÖBB: new lines from Chengdu
- Special services: customs clearance
- Good political relationship with China

CHALLENGES:

- Russia and Ukraine



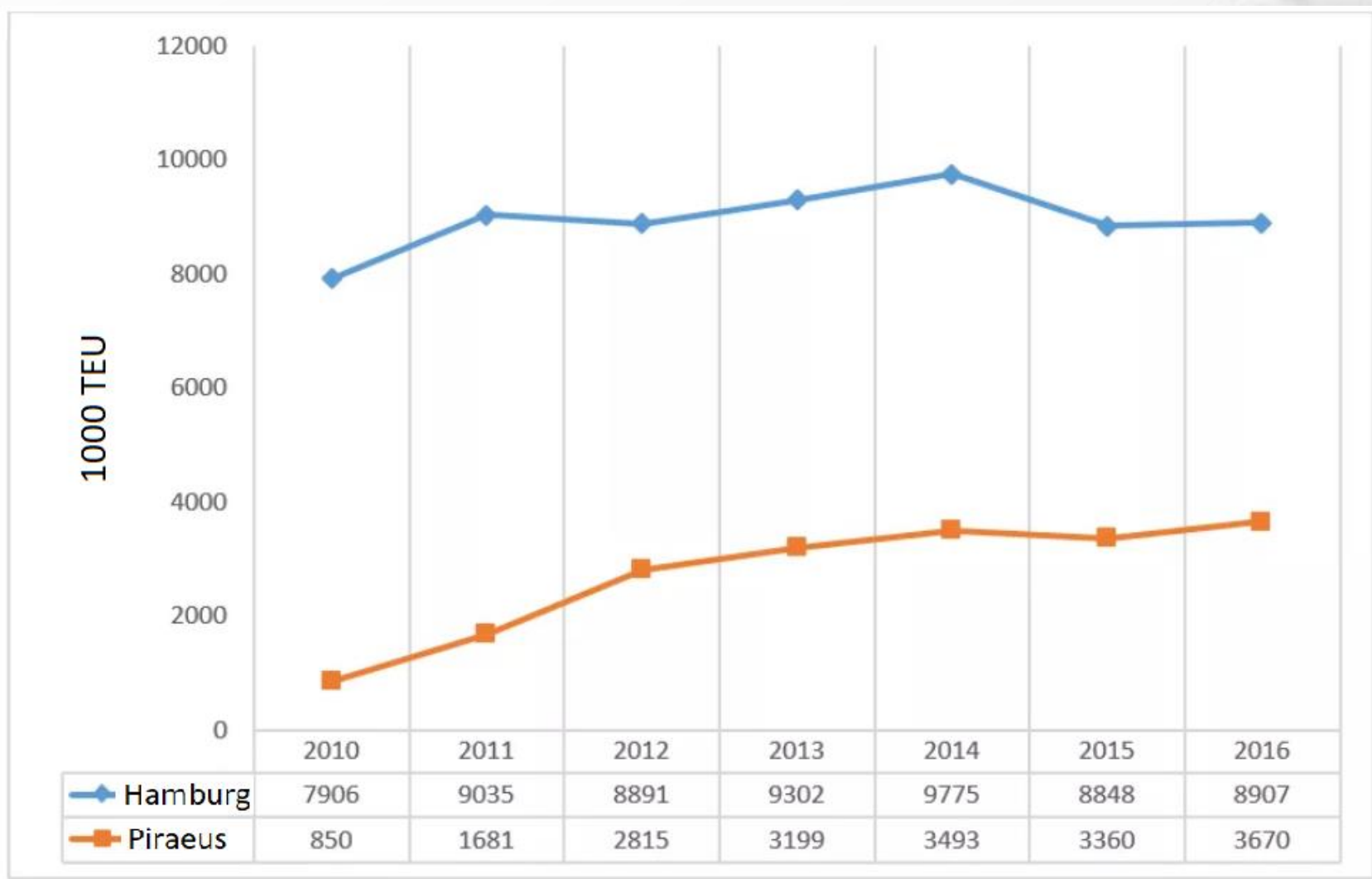
China-Europe Land-Sea Express Line



- Maritime transport from China to EU border shorter by 8-12 days
- Blocktrain services to CEE companies: 500 trains/year
- Main operators: COSCO and PEARL S.A.
- Modest income: providing rail infrastructure



The role of Piraeus



Source: Eurostat,



Conclusion



- Realistic picture required: trans-continental rail transportation is important – Hungary is a landlocked country with considerable growth potential BUT trans-continental rail transportation in itself has no game-changer effect on the Hungarian economy
- Trans-continental rail transportation can be very important for some sectors and companies
- Better management and services
- Better planning and state-level support

Thank you for your attention!

E-mail: eszterhai.viktor@paigeobudapest.hu