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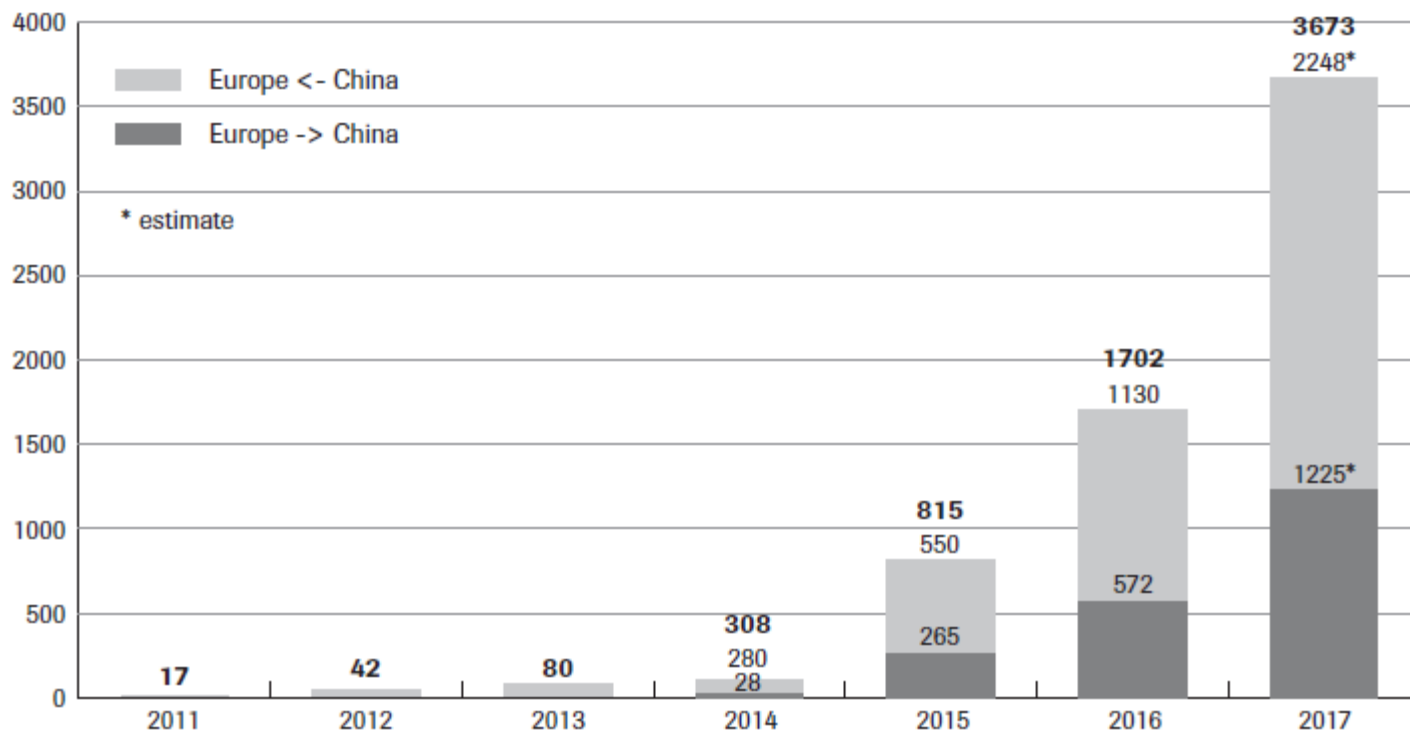
On the Silk Railroad: EU-China railway connections – infrastructural challenges

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China-EU block trains: basic statistics

Chart 1. Number of cargo train journeys on the China-Europe route, 2011-2017



Source: 中国铁路公司



China→EU trade volumes in 2017

Maritime routes

10 million TEU



Rail routes

200,000 TEU

- **Estimated rail trade volume: US\$ 22 – 45 billion**
- **4-7% of EU-China trade transported through CEE countries**
- **New challenges and opportunities for EU – China connectivity**

China's role in the development of China-EU rail connections

2008 – 2011	Early trials from made by European MNEs
2013	Xi Jinping's political endorsement, the B&R Initiative
2013 - 2015	Chinese provinces compete and subsidize train connections
2015 - now	A more centralized approach, CR Express

Beijing's goals:

Short/medium term:

Existing infrastructure; development of transport corridors

Long term:

New infrastructure; financing; investments; policy coordination

CR Express Logistics hubs in China



source: NDRC

CR EXPRESS – A MAP

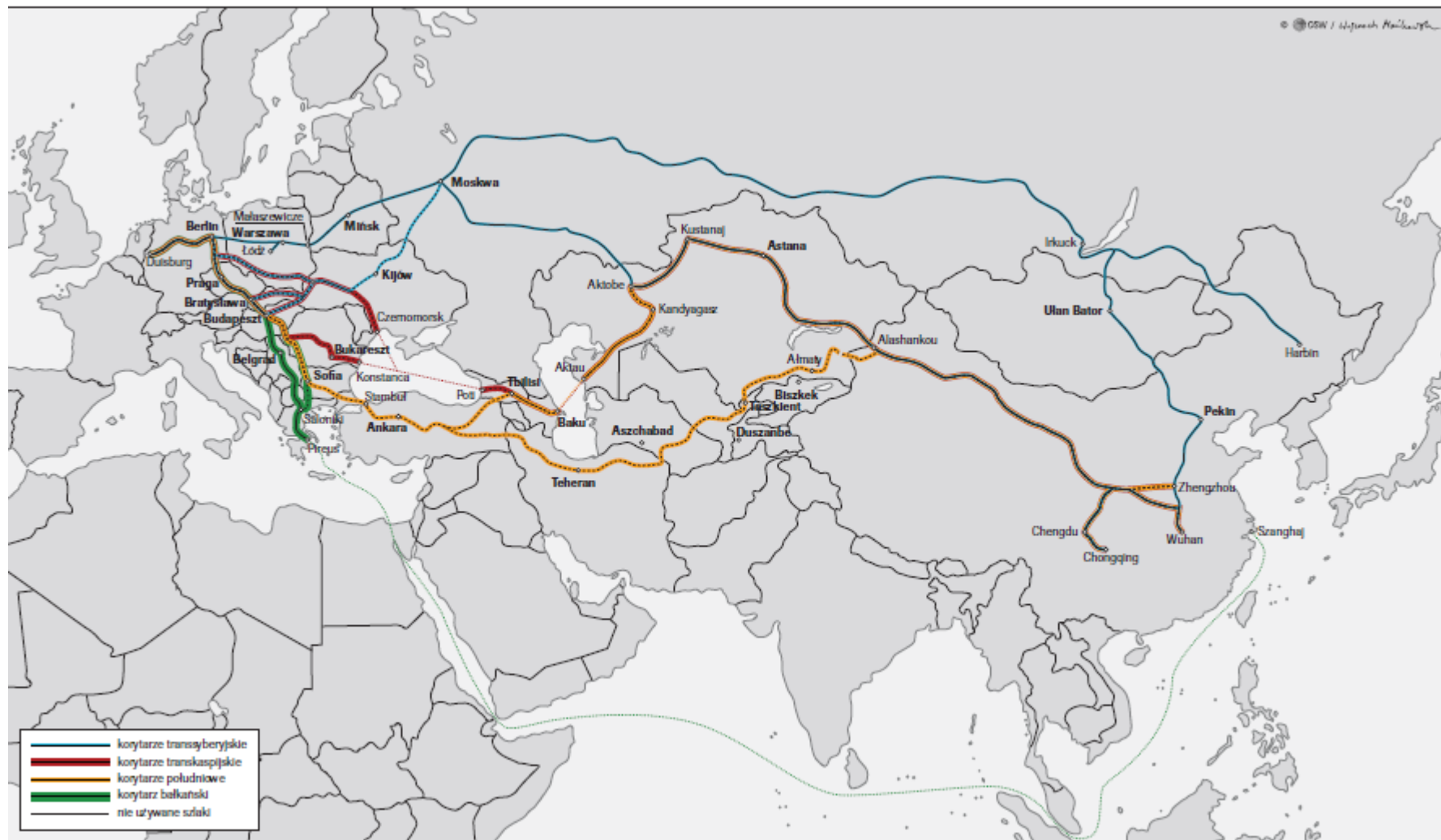
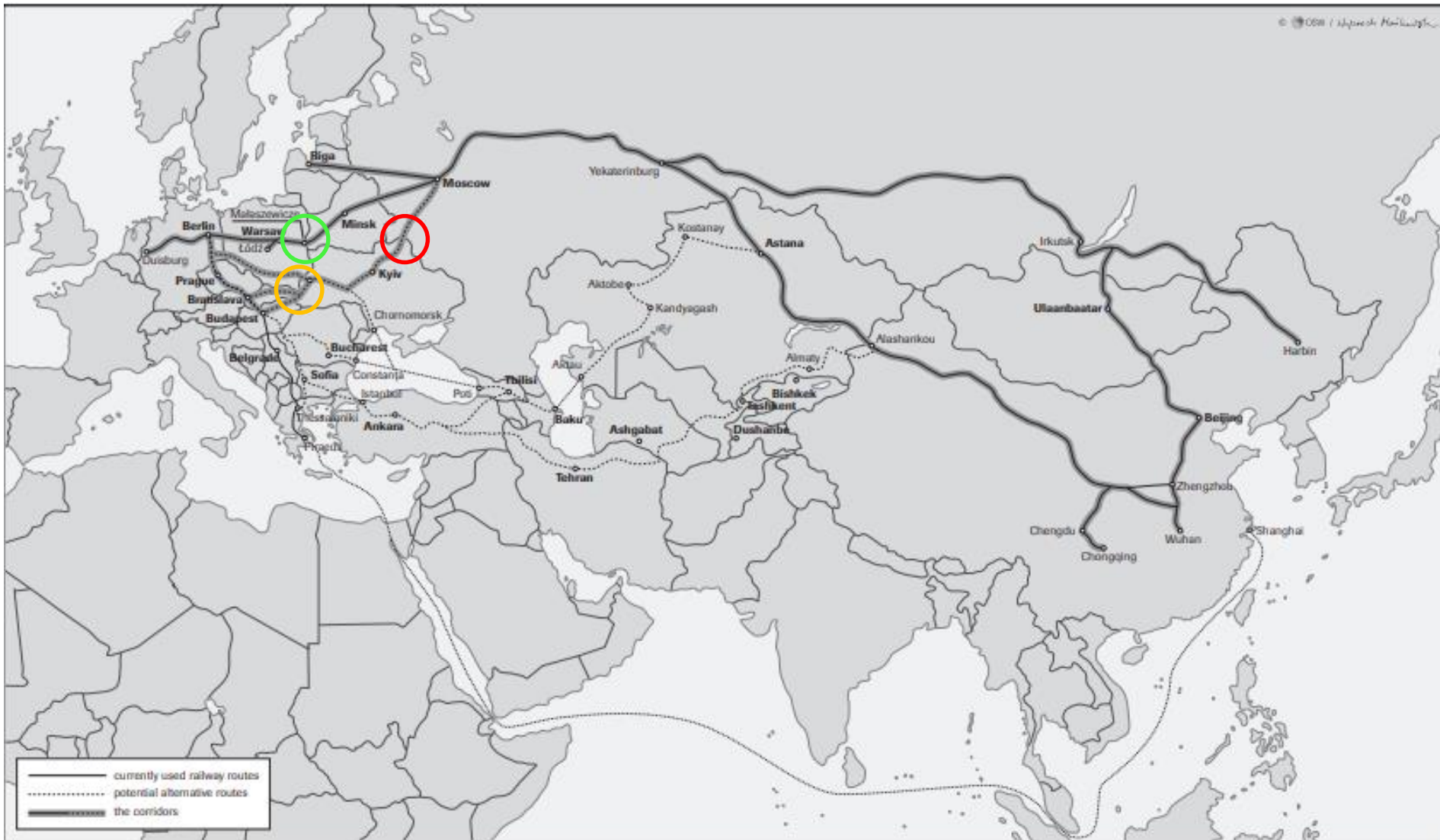


Table 1. A comparison of transport corridors connecting the European Union and eastern China (Shanghai-Łódź)

Corridor	Trans-Siberian (A) (Manzhouli-Brest)	Trans-Kazakh (B) (Dostyk-Brest)	Trans-Caspian (Dostyk-Aktau- Baku-Poti-Charno- morsk)	Southern (Dostyk-Tehran- Ankara)	Maritime route (Gdańsk)
Distance (km)	11,430	9,910	12,120	12,430	20,810
No of border clearances	2	2	5	6	1
No of trans-shipment operations	2	2	6	2	2

Trans-siberian rail corridors





Trans-siberian rail corridors – economic challenges

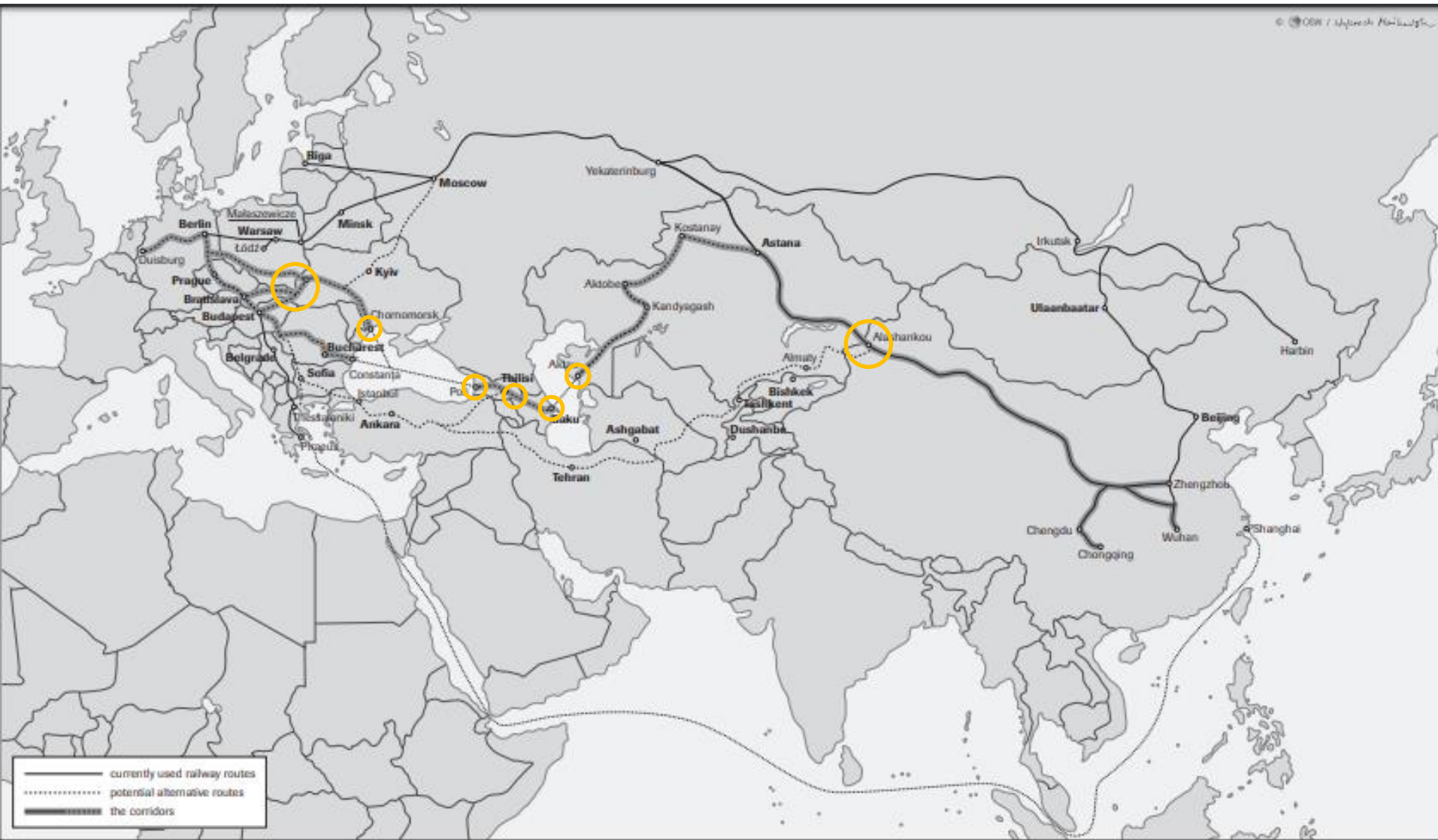
- Best infrastructure (both „soft” and „hard”)
- High political priority in transit countries: Kazakhstan, Russia, Belarus
- Support from both Chinese central government and provinces
- **Key challenges:**
 - **Capacity of EU’s eastern border crossings (broad/normal gauge)**
 - **Estimated max capacity of 300,000 TEU (Kazakhstan) and 250,000 TEU (trans-sib)**
 - **Further upgrades of the „soft” infrastructure**



Trans-siberian rail corridors – political challenges

- The blockade of transit via Ukraine
- Russia using transit embargoes as a political tool towards the EU
- China's support – an attempt to involve Russia in the BRI

Trans-caspian corridors





Trans-caspian rail corridors – economic challenges

- No EU-China container flows
- Low standard of rail infrastructure (non-electrified, single-track)
- Complex intermodal solutions using ro-ro ferries
- **Key challenges:**
 - **Rail infrastructure upgrades needed**
 - **„Soft” infrastructure a key challenge: tariffs, border crossings, standards**
 - **Key stakeholders (China, international businesses) need to be convinced**



Trans-caspian rail corridors – political challenges

- High political priority in transit countries: Southern Caucasus, Kazakhstan
- The Russian factor – China's attitude towards the corridor
- Political initiative, proposed as an alternative to trans-siberian in case of political disruption along the corridor (Belarus, Ukraine)



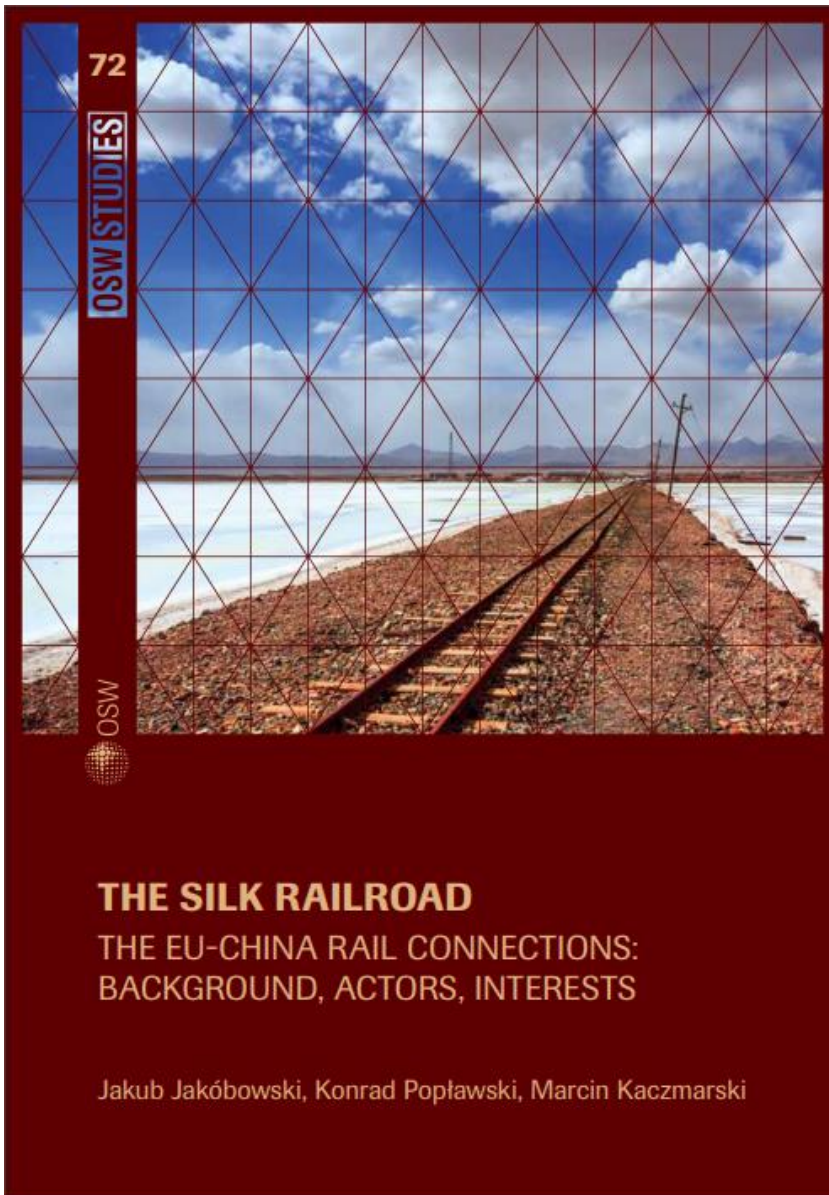
How to **engage** with China in the field of connectivity?

'Soft' infrastructure: corridors, procedures, standards

China:	'hub-and-spoke' negotiations; outside of multilateral frameworks
EU:	transport and custom clearance know-how; use of corridor-related assets (TEN-T; TRACECA); political support for EaP within multilateral frameworks

'Hard ' infrastructure: railways, roads, border-crossings

China:	credits linked with procurement; sovereign guarantees; debt distress; limited access to the infrastructure
EU:	alternative funding (EIB loans); transparency and competition standards; feasibility studies; Chinese-EU co-op (AIIB, EU-China Connectivity Platform)



Thank you for attention!

The Silk Railroad. The EU-China rail connections: background, actors, interests

Available at:

<https://www.osw.waw.pl/en>

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