RAIL CONTAINER SERVICES BETWEEN EU AND CHINA: INTEGRATION AS THE KEY SUCCESS FACTOR

ALEXEY GROM, UTLC ERA PRESIDENT & CHAIRMAN OF THE BOARD

Eurasian Rail Alliance

EURASIAN LOGISTICS INTERNATIONAL SEMINAR "NEW ERA OF THE EURASIAN TRANSIT" CHENGDU, 29 NOVEMBER 2018





The 3000th train was sent on the services of JSC UTLC ERA in November 2018.



Route of 3000th train: Nuremberg – Chengdu.

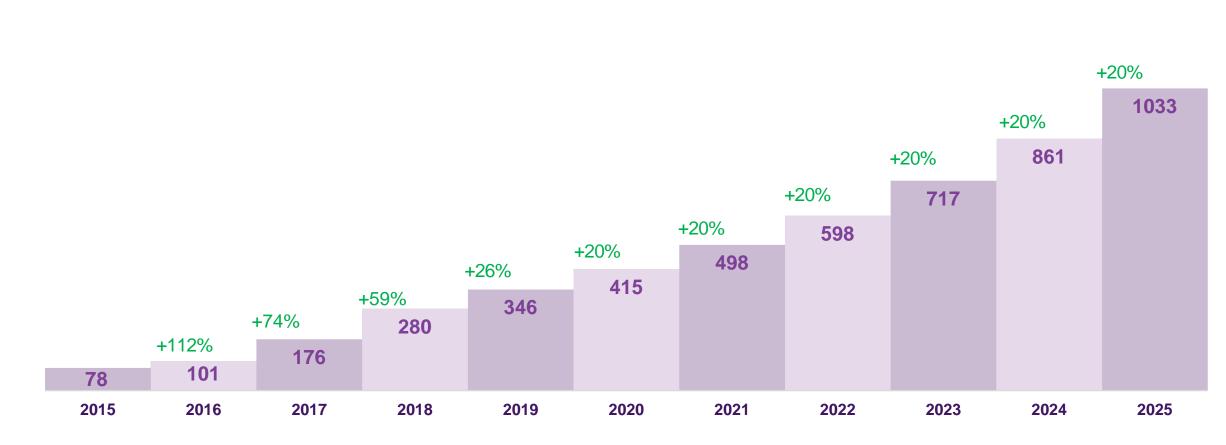


Such a result is possible only because of the common efforts of all participants on the international transport market in the framework of the national strategies and programs of China, Kazakhstan, Russia, Belarus and the European Union of Eurasian railway transportation.



ONE BELT, ONE ROAD, ONE MILLION







ROUTES IN UTLC ERA SERVICES IN 2018

UWEST China - Europe

Chengdu – Kutno / Lodz / Nurenberg / Tilburg / Kolyadichi / Malaszewicze / Budapest / Warsaw Chengdu - Milan

Chongqing – Hamburg / Duisburg / Warsaw / Malaszewicze

Wuhan – Hamburg / Duisburg / Gorzow / Malaszewicze / Pardubice

Iwu – London / Madrid / Prague /Malaszewicze

Xining – Antwerp

Xian – Kouvola / Budapest / Malaszewicze / Hamburg

Taiyuan / Urumqi / Wuhi – Duisburg / Malaszewicze

Hefei – Hamburg

Zhengzhou – Hamburg, Munich

Shenzhen – Malaszewicze

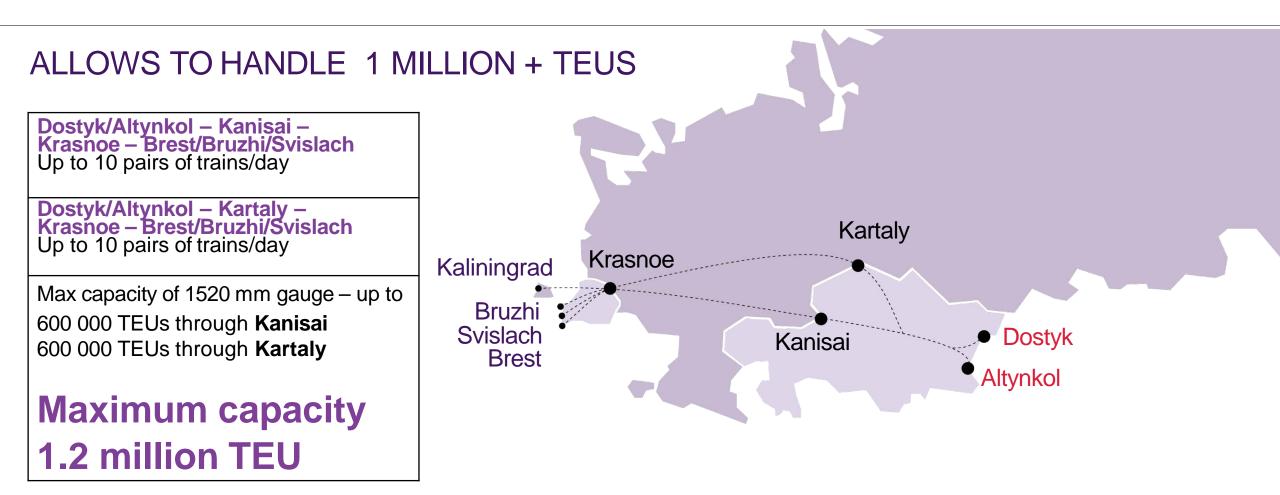
Xiamen – Malaszewicze / Hamburg / Budapest

Taishan – Antwerp

UEAS Europe - China						
Hamburg – Wuhan / Kuitun / Xian / Hefei / Zhengzhou /						
Chongqing						
Duisburg – Chongqing / Iwu / Kuitun (Korla) / Wuxi /						
Kashi / Lanzhou / Xian / Urumqi						
Hamburg / Duisburg / Kolyadichi – Chengdu						
Lodz / Nuremberg / Tilburg / Malaszewicze / Kutno –						
Chengdu						
Milan - Chengdu						
Melzo - Chengdu						
Kouvola - Xian						
Gent -Chengdu						
Madrid / Prague – Iwu						
Malaszewicze – Chongqing / Kuitun / Chengdu						
Munich – Zhengzhou						
Warsaw / Poznan – Chongqing						
Mangheim – Chongqing						
Liege – Zhengzhou						

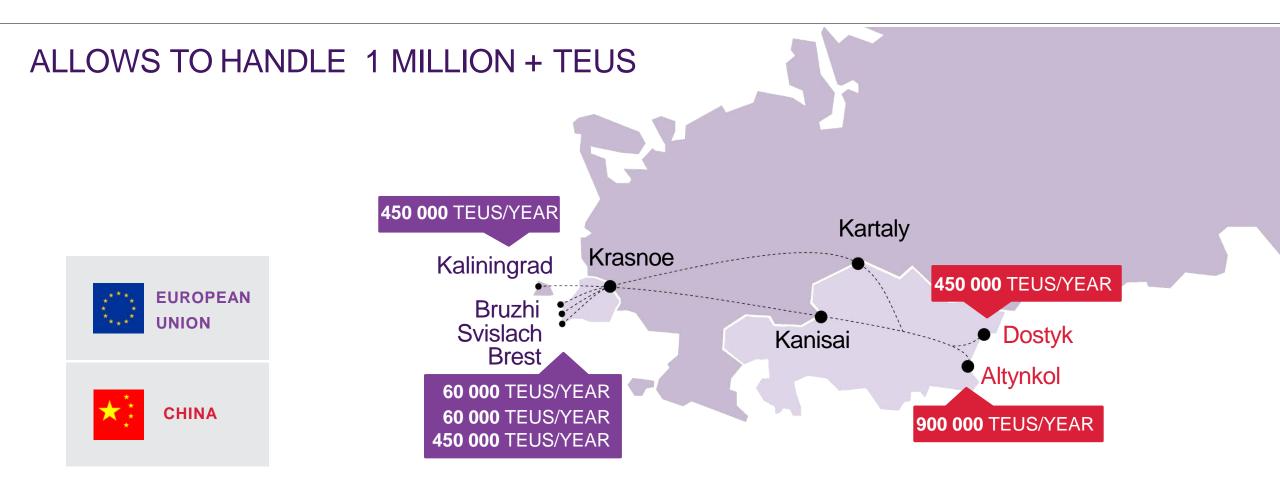


CAPACITY OF RAIL INFRASTRUCTURE ON UTLC ERA ROUTES



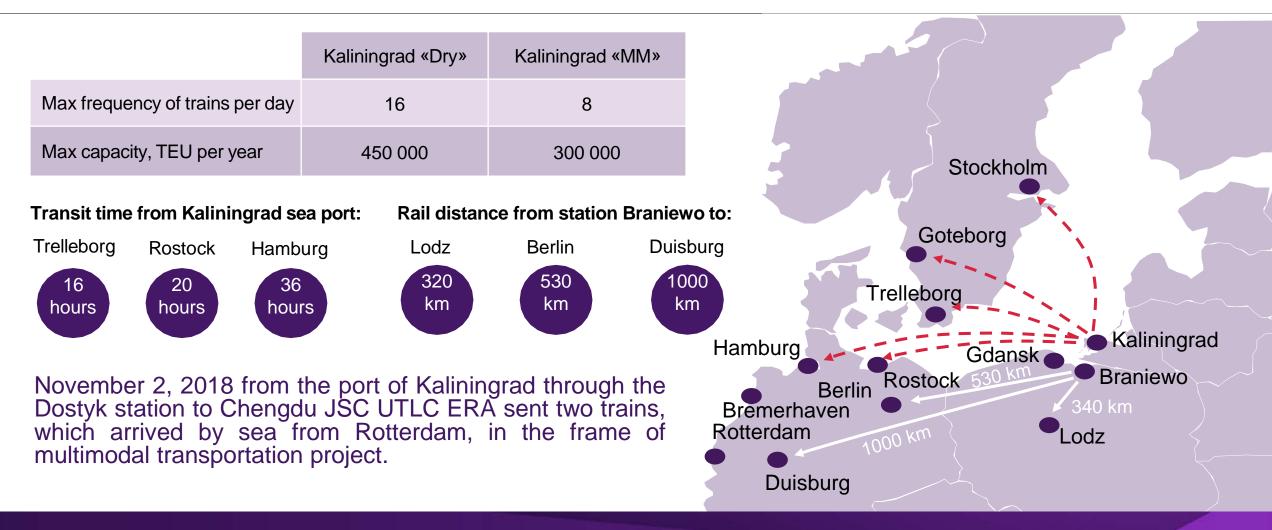


CAPACITY OF BORDER TERMINALS ON UTLC ERA ROUTES





WHY KALININGRAD?





PRICING POLICY OF UTLC ERA

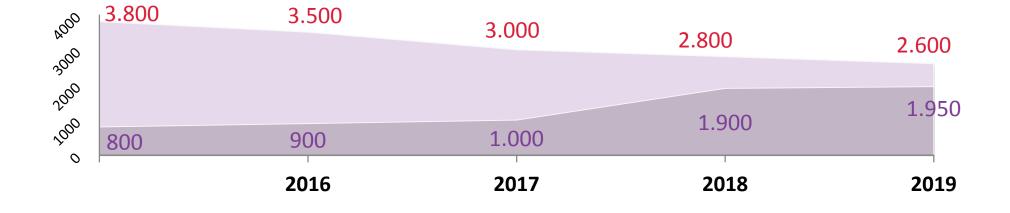
- 1. Openness, transparence, competitiveness.
- 2. December, 1 announcement of prices for the 1q 2019

Goals:

- 1. Creating the best pricing terms in the rail corridor Kazakhstan – Russia – Belarus.
- 2. Pricing policy is based on the principle: the lowest rate to the largest volumes of containers.

UTLC ERA RATEWORLD CONTAINER INDEX (Drewry)Terminal-TerminalPort-Port		(Drewry)
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This level of the rate for new cargo flows China-EU > 30 thousand teu/month





ERAI – RAILWAY TRANSIT PRICE INDEX 1520

Reflects the average cost of transporting 40' container along Eurasian rail transit corridor China – Europe by infrastructure at 1520 mm of Kazakhstan, Russia and Belarus

Functionality:

- Accessibility, transparency, competitiveness
- 2 Opportunity to plan logistic expenses
- 3 Obtaining a prompt information about the current rate of ERAI





www.index1520.co m



Eurasian Rail Alliance Index

> connectivity

> partnership

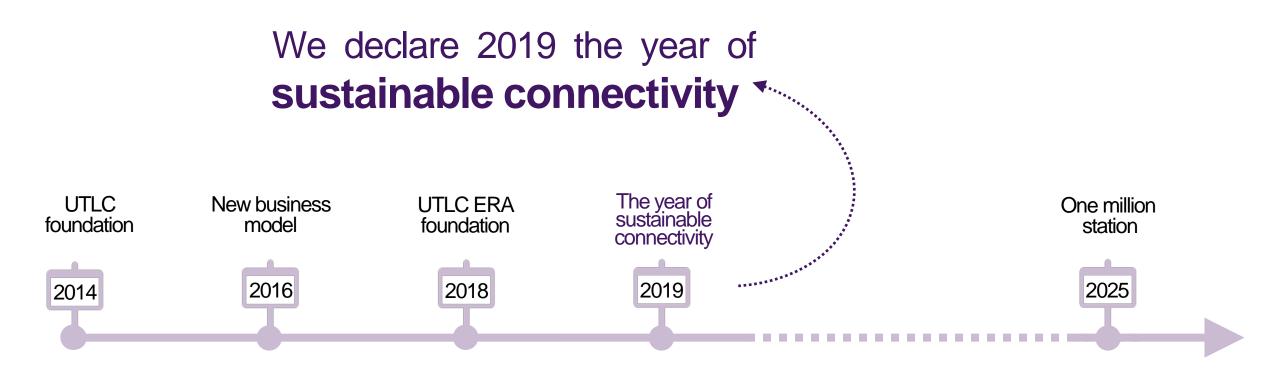
TO RAIL OR NOT TO RAIL?



Eurasian Rail Alliance Index 2,783.00 usp -107 -3.70% ▼					Transit time 5,5 days	Main parameters of t	
1 Year 2 Years <u>3 Years</u> <u>4 Years</u> <u>5 Yea</u> 5.000 4.500 4.500 4.500 2.500 2.500 2.500 5.000 0 5.000 0 5.0000 5.00000 5.00000 5.000000 5.00000 5.000000000 5.00		ERAI Composite Index O9/2018	ast • ERAI U-West •	• WCI Drewry 🕑	5,5 Jays	Index measurement unit USD/FEU Index operator JSC UTLC ERA Transit time 5,5 days target for 2025 – 3,5 days	Routes Dostyk/Altynkol - Brest/Bruzhi/Svislach/Kaliningrad Update period Monthly Average travelling speed 930 - 1 020 km/day, target for 2020 - 1 500 km/day
jul Aug Sep Oct Nov Dec jan Feb ERAIU-East 2,667.00 usp -55 -2.02% ▼	Mar Apr May Jun Jul Aug Sep Oct Nov Dec ERAIU-West 2,875.00 usp -127 -4.23% ▼	Jan Feb Mar Apr May Jun Jul Aug Seç WCI Drewry 1,743.00 uso +3 +0.17% ▲	Freight turnov 27,680 του	ver (x10) -470 -1.67% ▼		Update procedure Analytics publication in English, Russian and Chinese	-



TO RAIL! UTLC ERA ROAD MAP





OPERATIONAL PLAN FOR ONE MILLION CLUB

- Common operational targets
- Technological interoperational adjustments at the borders
- Synchronized infrastructure development
- Mutual speed increasing
- Digitalization





#ENJOYTHERAIL