



# **The Belt and Road Initiative in Northern Eurasia: Current State, Barriers to Development, Interests, and Policies**

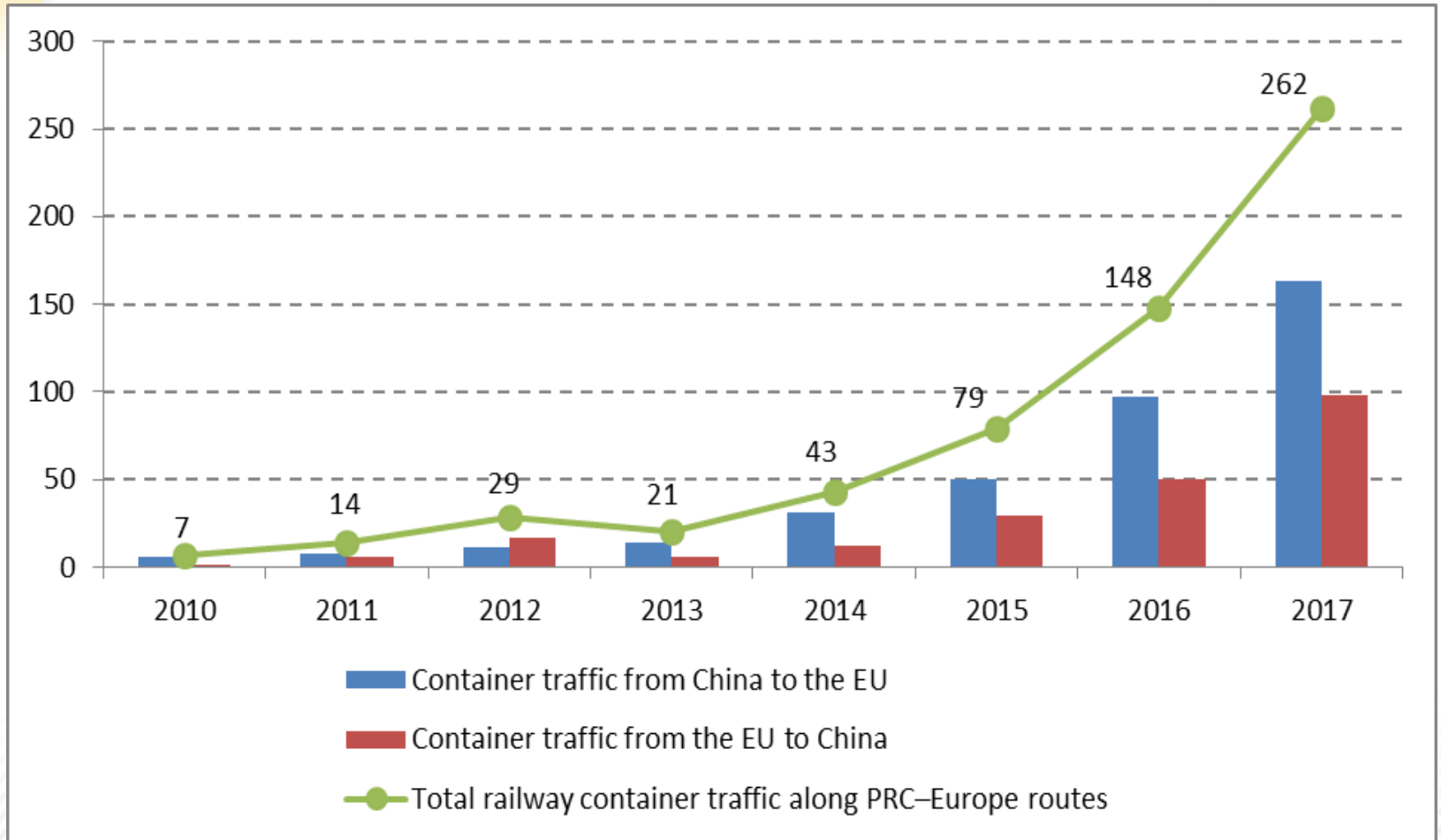
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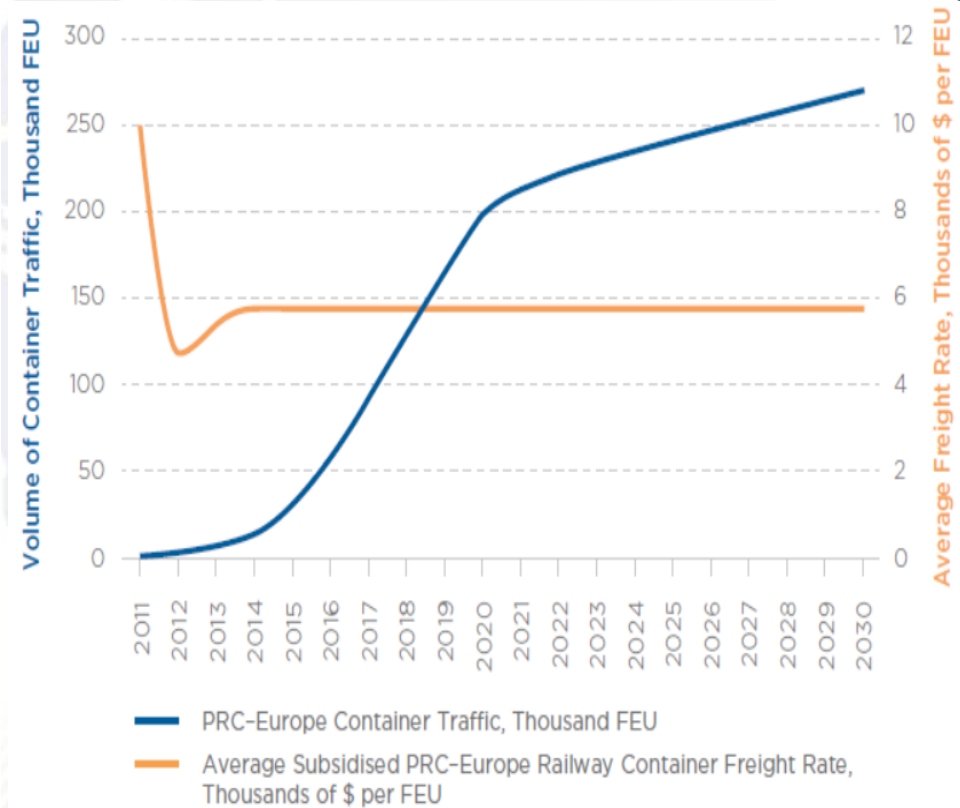
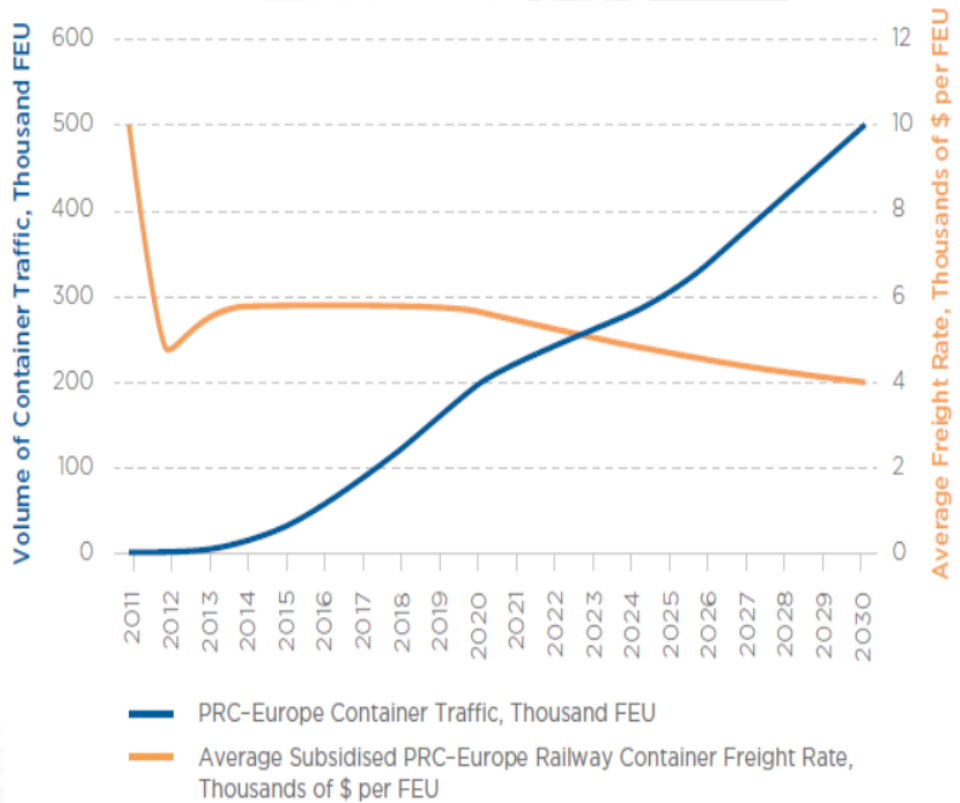
# Transit Railway Container Traffic along PRC–EAEU-EU Routes, TEU thousand



# Estimated freight rate elasticity of demand:

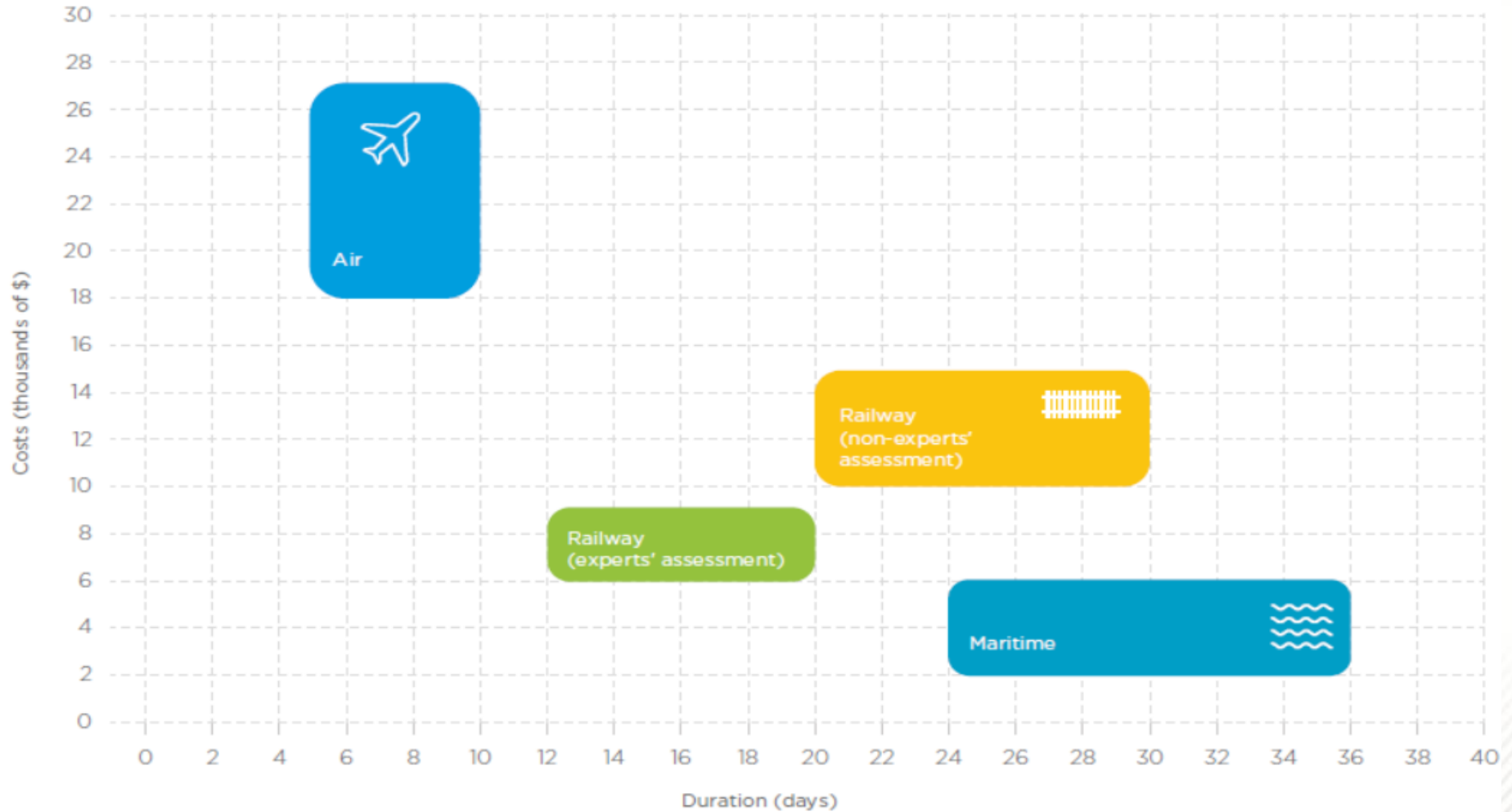
## Scenario 1 - rate reduction to 'Sea + \$1000';

## Scenario 2 – current freight rate unchanged





# European Industry Lacks Adequate Information on the Cost and Duration of Land Transportation: Results of IIASA Survey



# Barriers and Solutions

## Barriers to international freight transit:

- discrepancy of the regulatory requirements (e.g. length of trains);
- Infrastructural bottleneck - insufficient capacity at international border crossing points in the EU and EAEU countries;
- insufficiently harmonized procedures for crossing borders (EU- EAEU);
- different gauges – not as important as one might think!
- specific regulations within the bilateral intergovernmental agreements (quoting of transportations, restriction of a choice of routes) etc.



Main barriers are regulations, not physical infrastructure, except Poland.

## Some solutions:

- International coordination of the development of land transport corridors, including coordination of investment policies.
- Investments into infrastructural bottlenecks. We identify three of them:
  - (1) border crossings (China-Russia, China-Kazakhstan, Belarus-Poland);
  - (2) logistics hubs in the EAEU countries;
  - (3) Polish railway infrastructure.
- Regulatory convergence wherever feasible
- Focus efforts on the rapidly growing routes.

# Policy

A practically ideal component of the emerging Greater Eurasia.

The long-term success of the BRI land transport routes depends on whether or not international cooperation within Greater Eurasia will be successful.

## **Arrangements of functional nature are needed:**

- No need for a 'grand Eurasian design': involve a limited number of countries and other actors to solve a concrete problem.
- Standardize normative documents and technical regulations (CIM/SMGS, flawless functioning of border crossings, rolling stock operating parameters, etc. Intergovernmental WGs representing national governments, railways and leading industry players should suffice.
- Coordinate transport policies. Intergovernmental WGs + EU involvement + EAEU involvement.
- Coordinate investment by sovereign and multilateral development institutions.
- Make grants for technical feasibility studies readily available.



**Thank you for your attention!**

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