

# An updated account of Eurasian connectivity, the case of the Chinese express trains in 2022



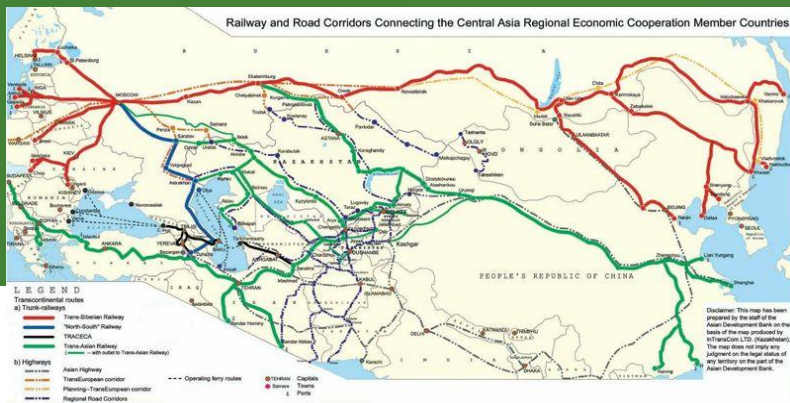
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# Silk road and Afro-Eurasian connectivity

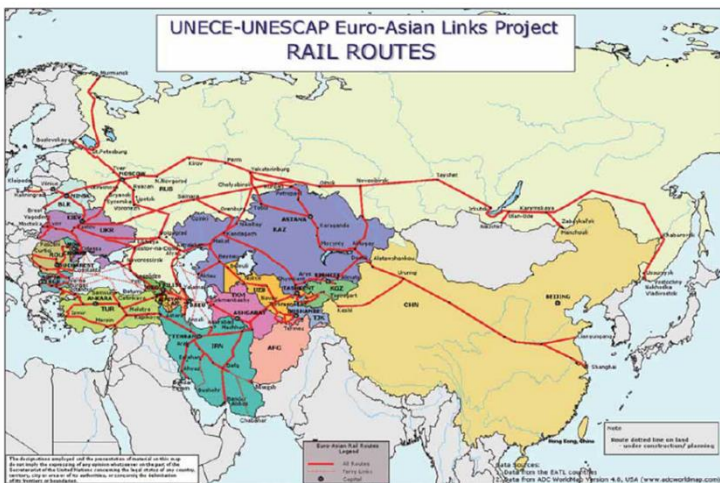


Historically the Afro-Eurasian trade routes have been in operation for thousand years, if not more. With the political unification of China and economic integration that promoted economic development and growth, China had become the main source of manufacturing for overseas markets in the form of silk and silk textiles. Subsequent technological and production developments had made porcelain and tea the hottest Chinese products for the world market. The demand for Chinese commodities stimulated the exploration of silver to serve as international currency for import substitution and export oriented economic development of other countries in imitation of the Chinese goods and for the enormous global and regional markets created by the trading activities initiated by China.

The Silk Road has been an inappropriate and inadequate term to describe the trading and production activities unleashed in the Afro-Eurasian connectivity. It has not just been about silk, nor one way trade from China, nor dominated and monopolized by China. It has rather been as multi-faceted and multi-directional connectivity and exchange of all the countries and communities along the various trade routes of the Silk Road. China might make the initiative. But the success had been a collective effort of all those involved directly or indirectly.

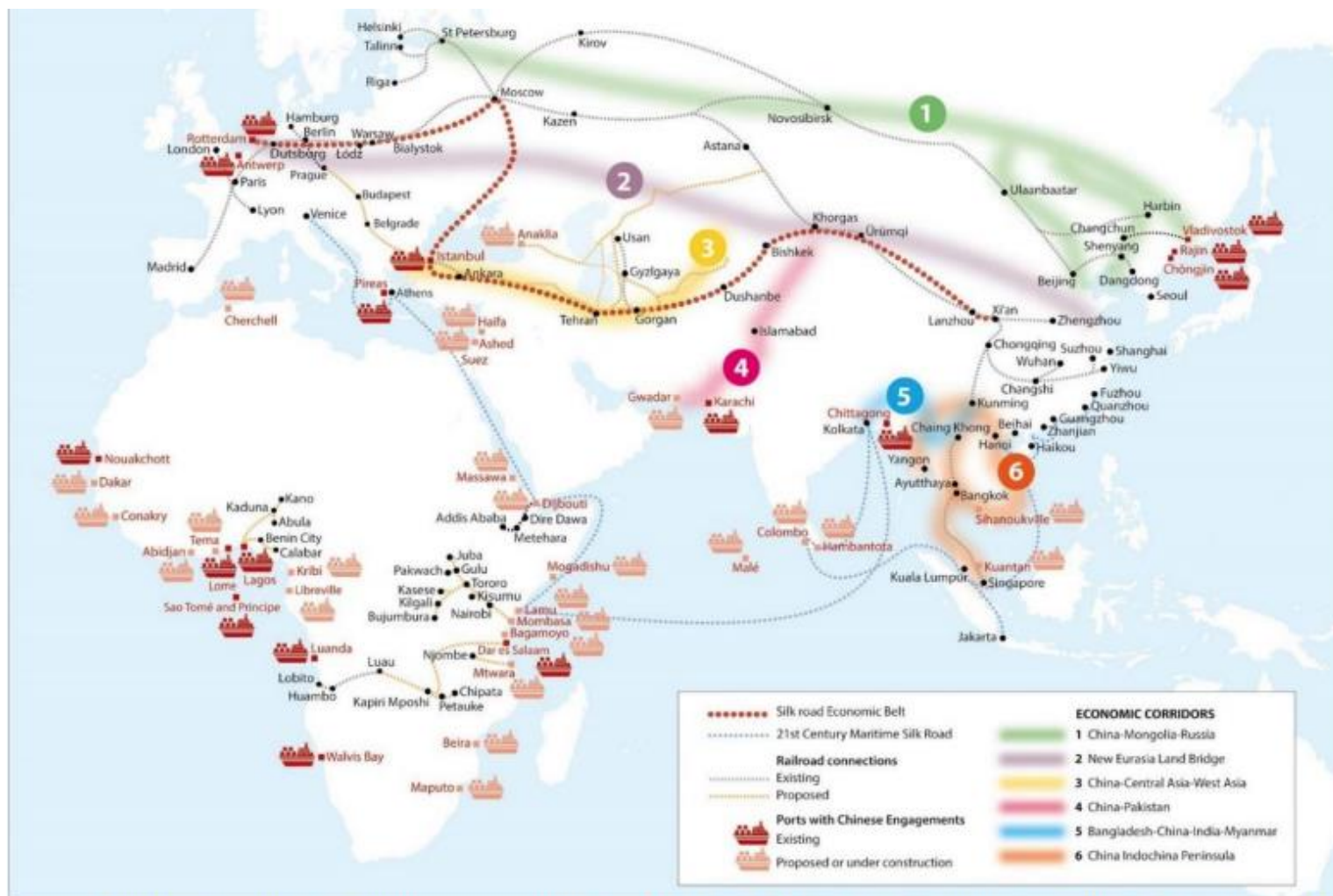


The Cold War had consolidated the great power struggle between Russia and Britain of the 19th century that blocked the Silk Road, but its demise in the 1990s has removed the blockade. Subsequently there have been many international attempts to revive the Silk Road. For example, the plan of the Central Asia Regional Economic Cooperation (CAREC) Program and the Transport Corridor Europe-Caucasus-Asia of the 1990s and the UNECE-UNESCAP Eurasian Link project that has started in the 2000s and is going on.





# The spatial spread of the BRI



Source: OECD research from multiple sources, including: HKTDC, MERICS, Belt and Road Center, Foreign Policy, The Diplomat, Silk Routes, State Council Information Office of the People's Republic of China, WWF Hong Kong (China).

Source: *China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape*, OECD, 2018

# The emergence of the Eurasian iron silk road by 2016

## China's development plan (2016~2020)



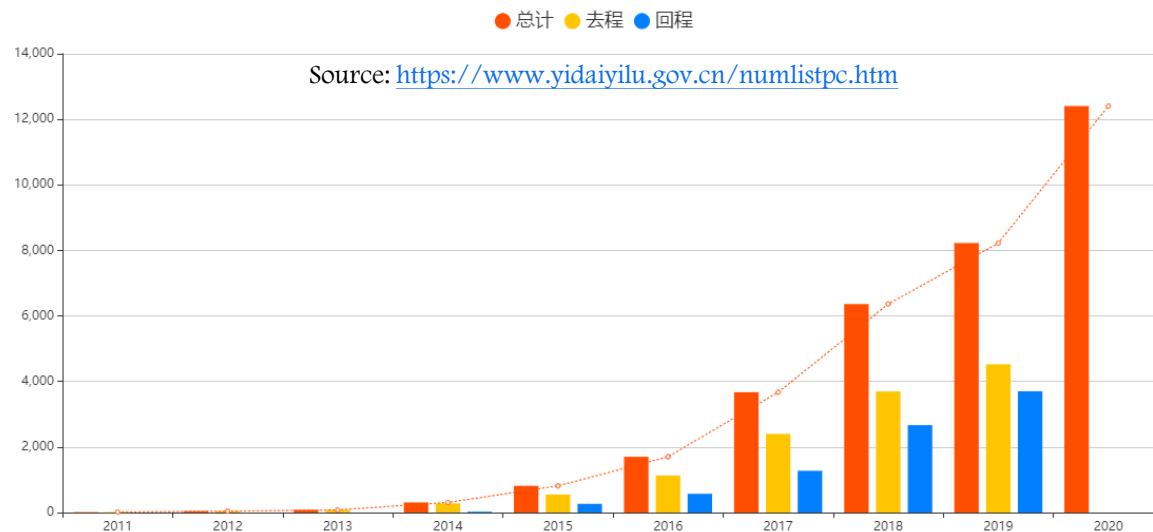


# The China~Europe freight trains



Year	No of trains in the year
2011	17
2012	42
2013	80
2014	308
2015	815
2016	1,720
2017	3,673
2018	6,300
2019	8,255
2020	12,406
2021	15,183

The BRI (the new silk road) has been inter-modal in nature and represented by many transport corridors, but the main channel of connectivity has been achieved by the northern route of overland railway networks that runs through Russia from China to Europe (via Belarus, Poland). It has shortened the inter-continent transport time from 45-60 days to under 20 days with great saving of costs and efficiency. It has thus constituted over 90% of the freight train transportation with a growing branching of sub routes from it to other parts of Europe and Central and West Asia.



Source: China State Railway Group Co., Ltd

# Disruption by the Ukrainian war in 2022



The outbreak of the war on 24 February 2022 has interfered greatly with the development of the China express freight train services.

1. The Ukrainian government has destroyed all railway connection tracks with Russia, stopping all train services between the two countries.
2. US and EU sanctions against Russia have banned most trade between Russia and Europe. Although Russian & Belarus railway companies and transit transport were not sanctioned, the cessation of insurance coverage for eastward freight crossing Russia discouraged logistics supports for the transit services.
3. US secondary financial sanctions against Russia and its trading partners also frightened most firms involved in the service.

This has impacted on the northern trade route from China to Europe via Russia, Belarus and Poland, while the sub-route through Ukraine has been insignificant and its complete halt created no consequence. As a result, services had been seriously curtailed in the first few months after the beginning of the hostilities, but it has gradually been restored in subsequent months after June. The cessation of services have been mainly carried out by large logistics firms while small and medium firms continued to operate as they fear less for western sanctions. The west bound trains were less affected.

# New launches in the northern route since the war



In October first launches of the following:

- Xian - Duisburg with fixed time table services for less than 10 days;
- postal trains between Xian and Malaszewicze (Poland);
- trains for carrying new energy vehicles; Chengdu - Hamburg, Xian - Duisburg, Zhengzhou - Minsk & beyond;
- inter-modal train service from Chengdu - Hamburg - Casablanca crossing the Mediterranean Sea for 35 days.

First, the Belarus and Russian railways were not included in the EU sanctions nor the banks they settle their transactions through. Second, Chinese companies did not pay attention to the sanctions and had their own mechanisms of settling payment of fees due to the Russia and Belarus railway operators. West bound trains have continued to flourish

First 8 months in 2022, the number of trains employed was 10,622, increase by 6% with a rise of 21% from 2021 in the single month of August (in the 1st half it was a 2% increase.)

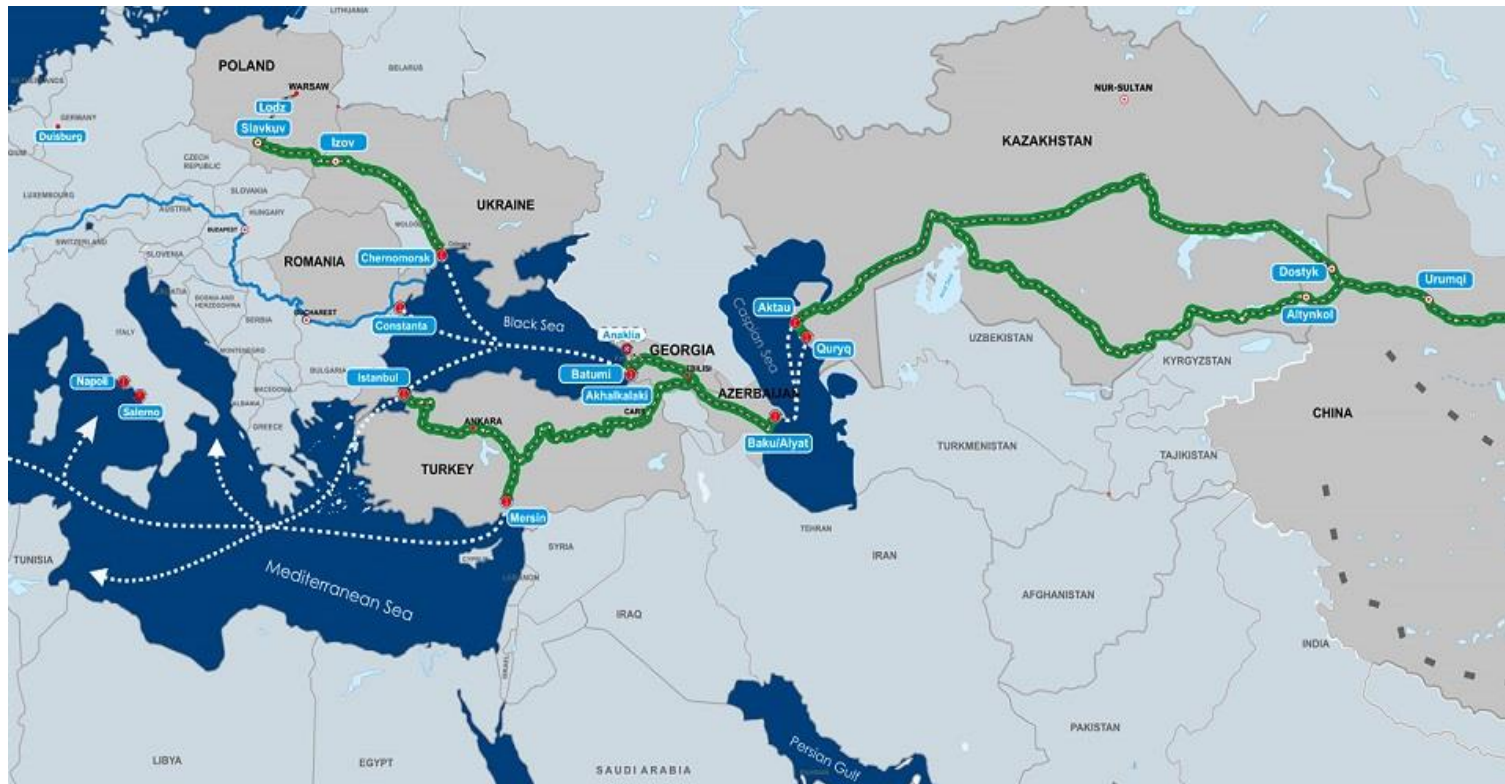




# New diversion 1: the Middle route



On 31 March 2022, Georgia, Azerbaijan, Turkey and Kazakhstan – signed a quadrilateral statement on the development of the Trans-Caspian International Transport Corridor. With the disruption in the northern route via Russia, it has become an alternative despite its relative inefficiency caused by the intermodality in its operation, 38-40 days vs 12-14 days of the northern route. It could be extended to Western Europe and to the UK.



Source: Nikos Papatolios,  
Middle Corridor joint  
venture to be established  
in 2023, *Railfreight.com*,  
07-04-2022

# New diversion 2: the growth of the International North South Transport Corridor



International North-South Transport Corridor is a multi modal transportation system established in 2000 for the purpose of promoting transportation cooperation among the Member States. This corridor connects India Ocean and Persian Gulf to the Caspian Sea via Iran, and is then connected to Saint Petersburg and North European via Russia. It is also intended as an alternative to the Suez Canal. Countries involved including Azerbaijan have been at pain to construct infrastructural facilities, like railways & ports, to improve its competitiveness as a major trade route in Eurasia. Works have progressed slowly before 2022.



With the possible blocking of Russian access to Europe overland, it has shown great potentials for the southward economic advancement of Russia to reach West Asia and Indian Ocean. It coincides also with interests of economic opening-up of sanctioned Iran and landlocked Azerbaijan. Infrastructure works have been sped up in recent years. With railway links completed and Turkmenistan joined in 2022, the corridor becomes strategic important to the countries involved. Russia is trying to make Iran the central hub of the corridor.

# International North-South Transport Corridor & Rail Corridors



Rasht-Astara railway line in Iran to be completed in 2023





The INSTC eastern branch in green colour.  
Image: © Телеграмма РЖД

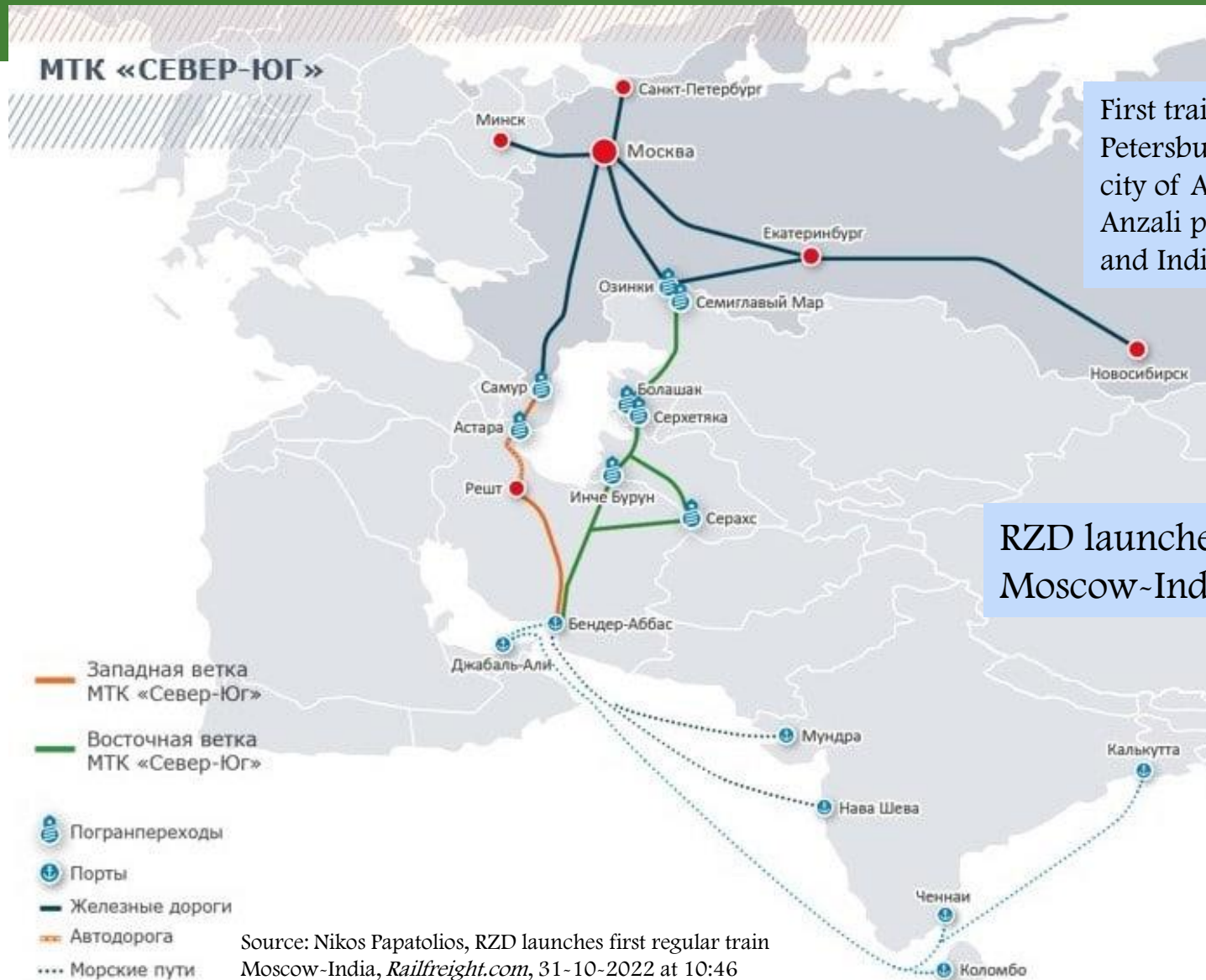
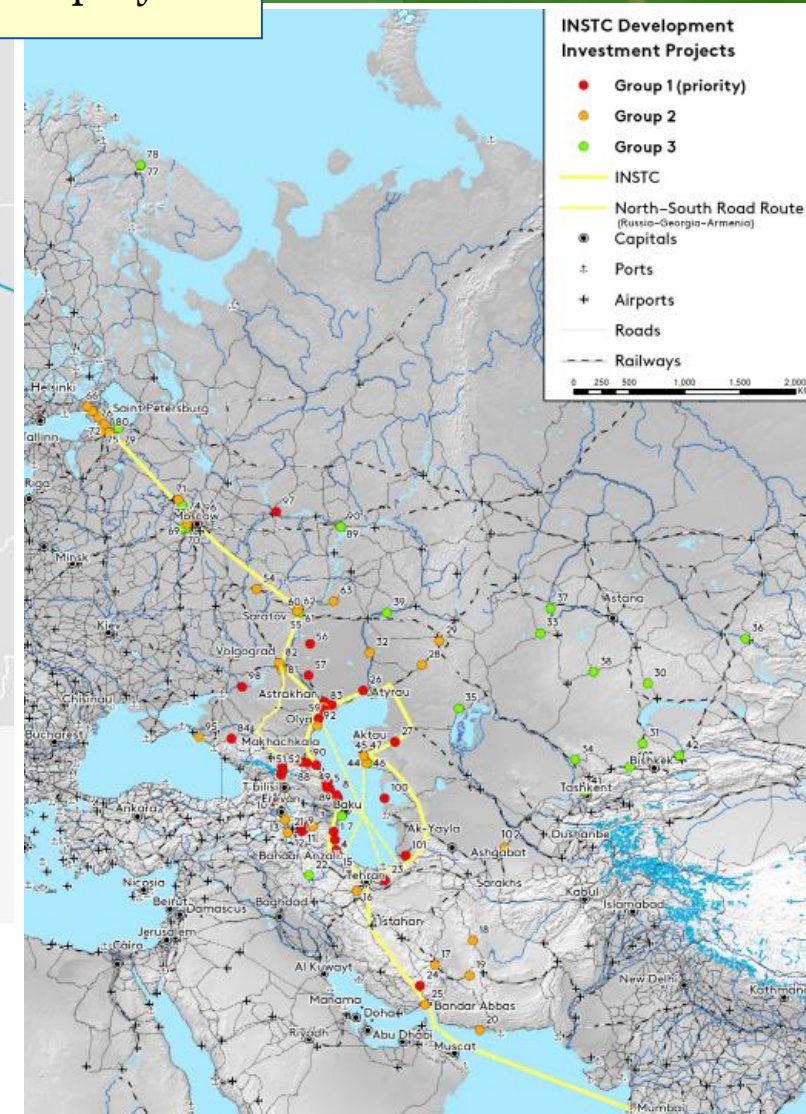
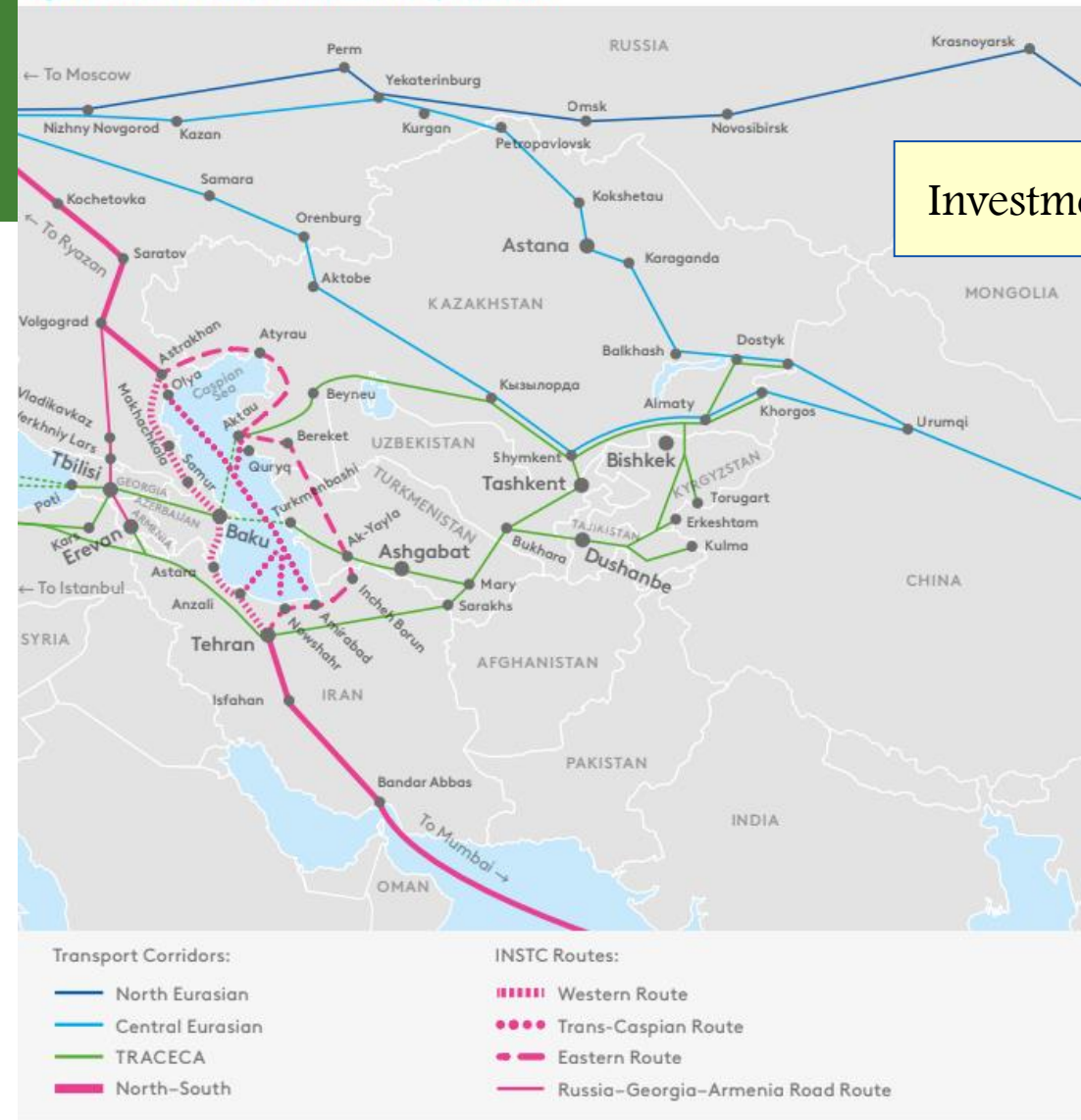
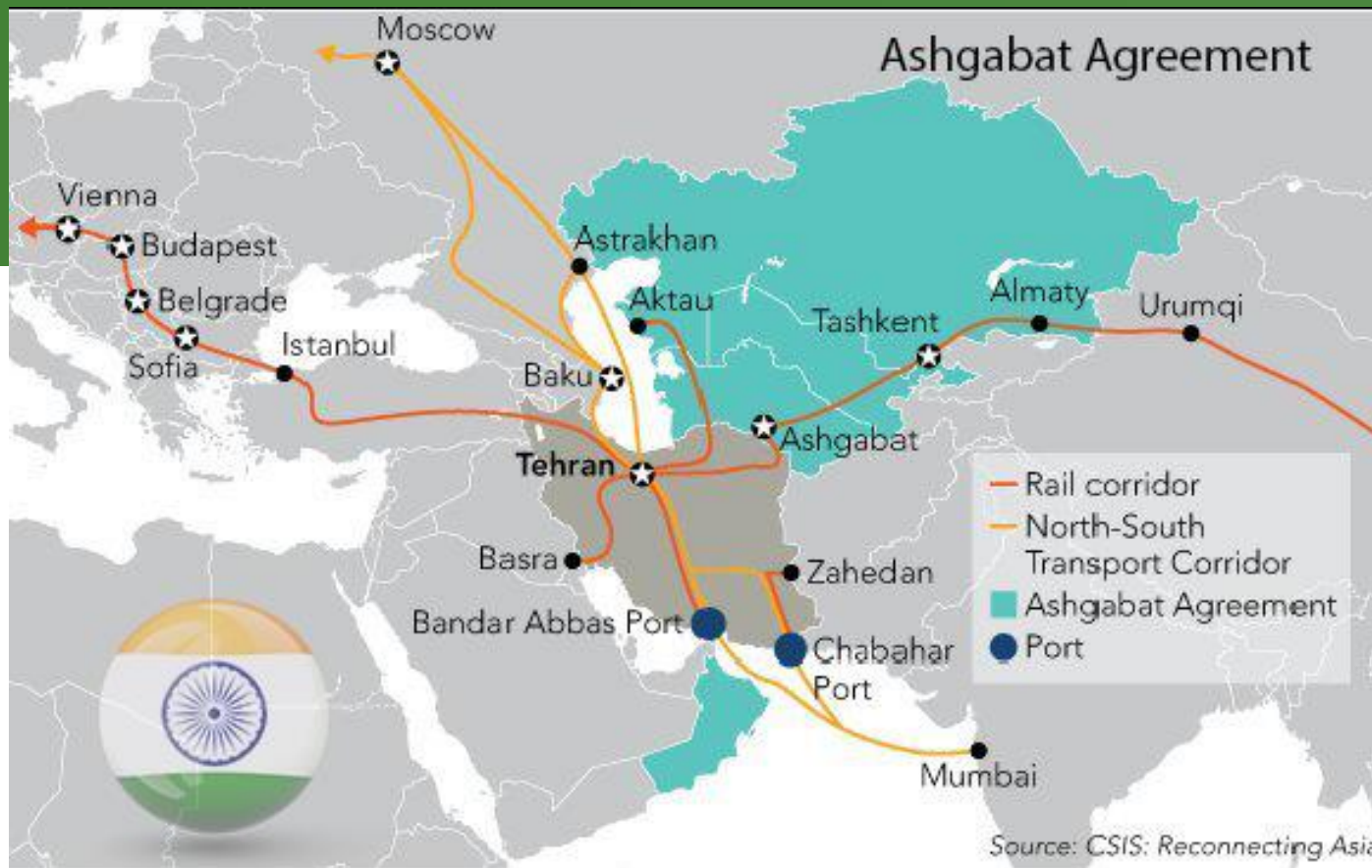


Figure 1. Role of the INSTC in the Eurasian Transport Network



Source: Eurasian Development Bank, *International North-South Transport Corridor: Investments and Soft Infrastructure*, Reports and Working Papers 22/2.





International North South Transport Corridor provides a southward escape and expansion for Russia's sanctioned economy, but it connects more closely with members countries (Kazakhstan, Uzbekistan, Turkmenistan, Iran, India, Pakistan, and Oman) of the Ashgabat Agreement formed for the purpose of connecting Central Asia and the Persian Gulf. The Chinese has also started to build the railway line joining Kashgar in Xinjiang to Kyrgyzstan and Uzbekistan that could subsequently link up the railway systems of Turkmenistan and Iran.





To complement the northern route, China express freight trains have connected Central Asian cities for the middle route of the new Silk Road, reaching Iran's Persian Gulf ports and could continue the sea leg to access ports in the Indian Ocean.

Istanbul – Tehran – Islamabad using existing railways started in 2009 with regular service from December 2020; Khorgos - Tehran first started in 2016 and Kasghar – Hairatan of Afghanistan from September 2022.

Related  
railways that  
could  
expand the  
coverage of  
the INSTC

**Trans-Afghanistan Railway** with extension to become for the **Mazar-I-Sharif-Kabul-Peshawar Railway** has its survey work started in 2022.

**China-Kyrgyzstan-Uzbekistan Railway** Corridor, generally referred as CKU, is expected to start in 2023 after completion of feasibility study in 2022.

# Trans-Afghanistan Railway



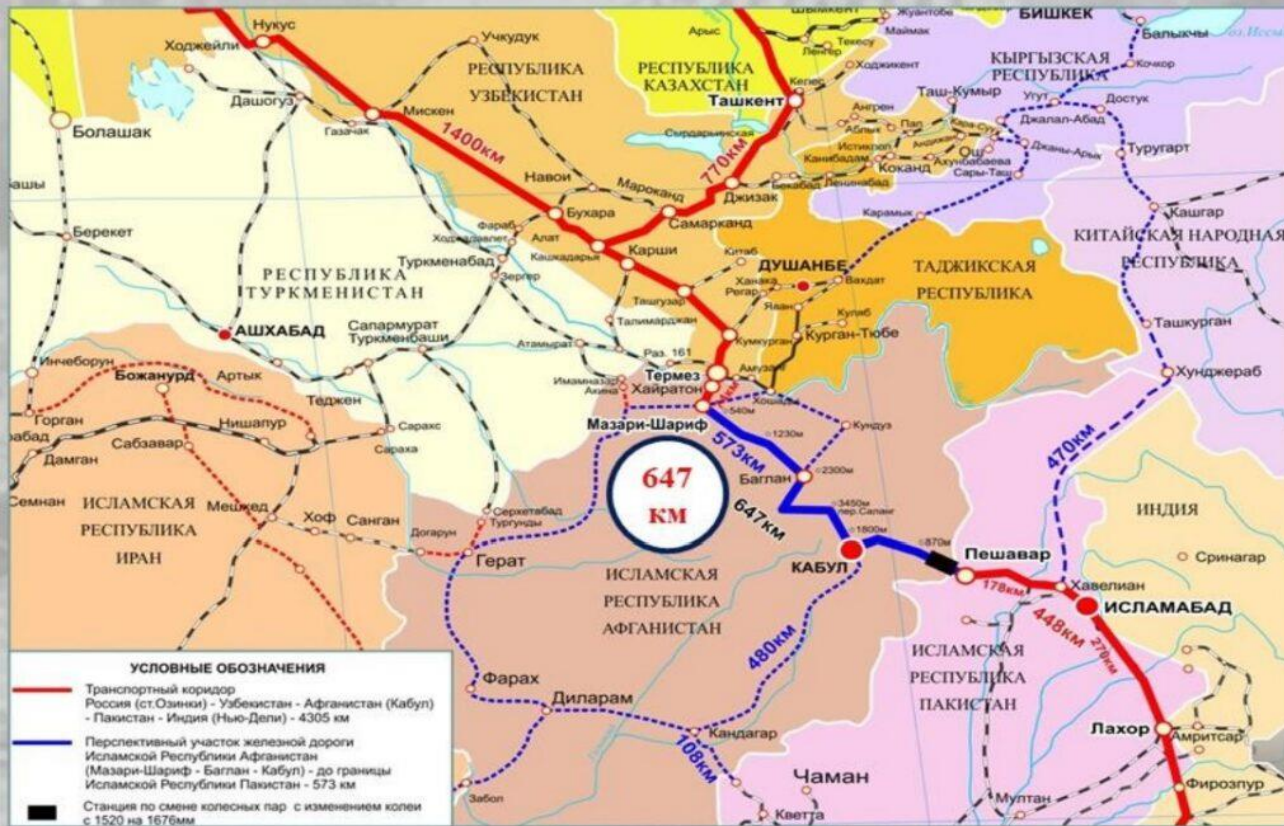
Source: Kabul seeks to finalize Trans-Afghan railway plan with Uzbekistan, Akipress.com., 16 May 2022



# An initiative of Uzbekistan



## The prospect of the development of Railways in the construction area of Mazar-i-Sharif - Kabul - Peshawar



Tashkent's initiatives provide for the development of cooperation between the Central Asia & South Asia on a wide range of issues, including the formation of favorable conditions for the development of trade and economic ties and the growth of mutual investments, the introduction of digital platforms, the joint search for ways to ensure food security, the promotion of “green” development, the disclosure of the tourism potential of the two regions and cultural and humanitarian cooperation.

Source: Trans-Afghan Railway Corridor will advance reg. connectivity: Uzbek President, December 17, 2021,

<https://dailyspokesman.net/live>

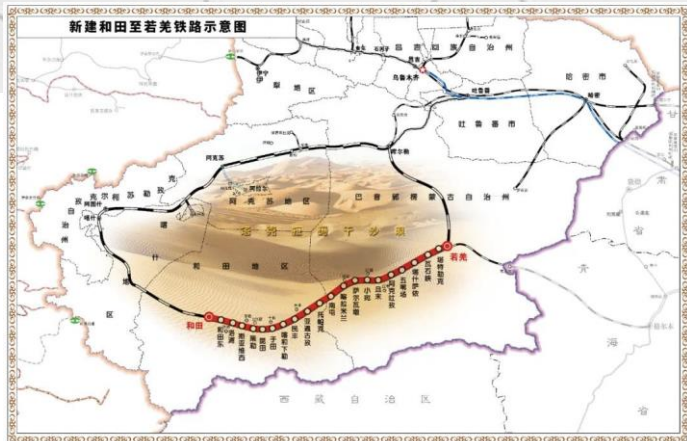


# China-Kyrgyzstan-Uzbekistan-Railway



Source:

<https://www.railfreight.com/belta-road/2022/06/06/is-the-china-kyrgyzstan-uzbekistan-railway-route-finally-happening/>



Source: <https://upload.wikimedia.org/wikipedia/commons/c/cc/Kyrgyzstan.png>

# Diversion 3: the new international land sea trade corridor

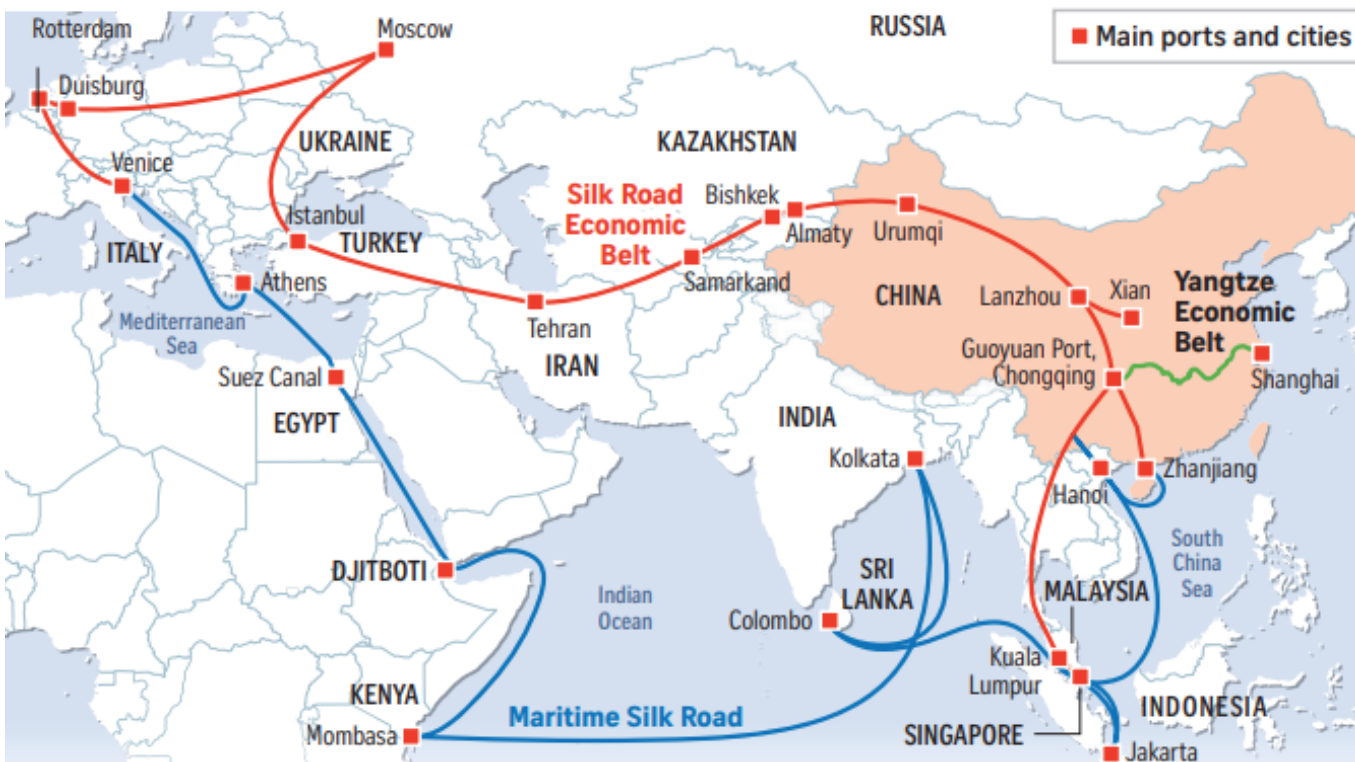


The rise of Chinese express freight trains to Europe and Central Asia has created the transit opportunities for using China as the transit between the northern economies in Europe and Central Asia and the economies in East and Southeast Asia, completing a much larger trade circuit in Eurasia. Chongqing and other Chinese cities have taken the advantage to launch a new international land sea trade corridor.

# Boosting connectivity and services in Chongqing

The Chongqing Connectivity Initiative is Singapore's third government-to-government project with China, started in 2015. With Chongqing as its operating centre, the initiative aims to help western China's economic growth by improving its connectivity within and beyond the region. Singapore's Ministry of Trade and Industry said leaders have designated it a priority project to pilot innovative measures, which can then be replicated in other parts of China if successful. Here are its four key pillars:

## TRANSPORT & LOGISTICS



2018

In this year, Singapore and China formally agreed to jointly develop the New International Land-Sea Trade Corridor, expected to boost western China's links with South-east Asia.

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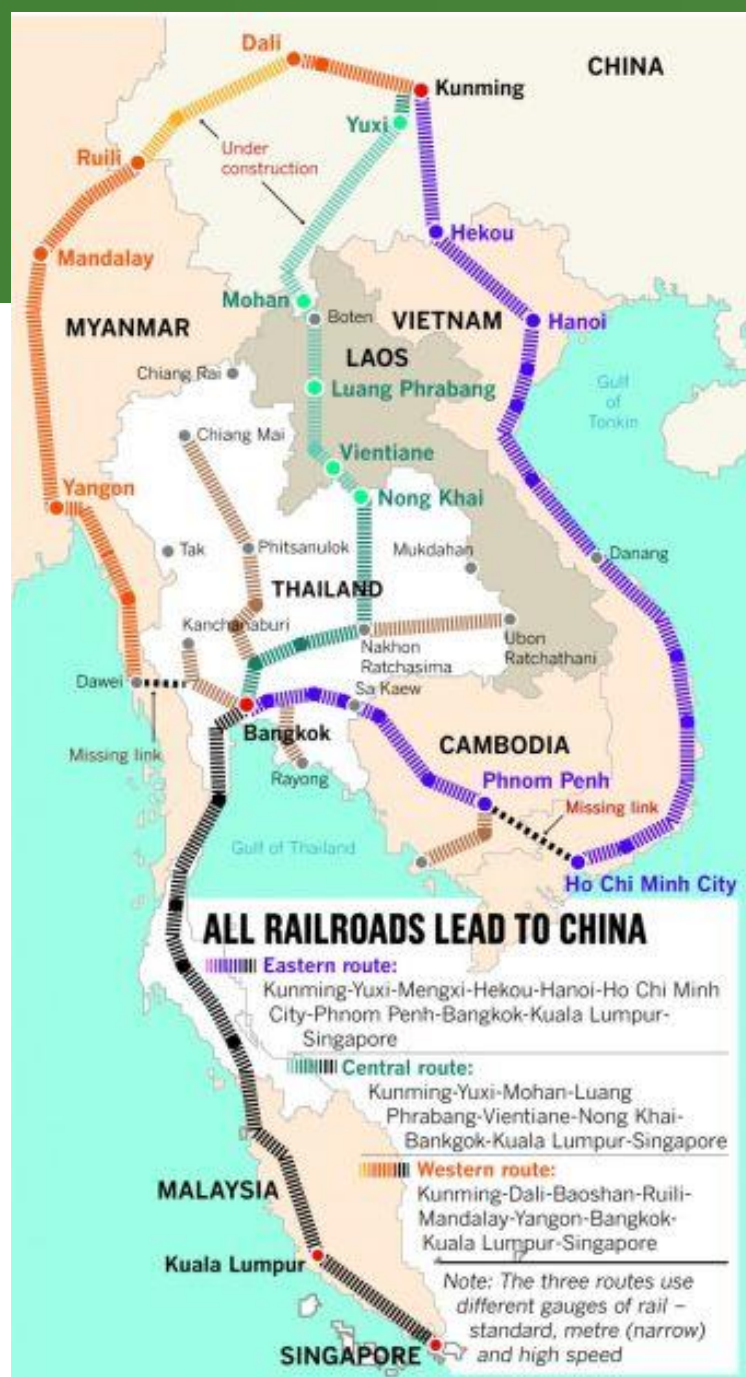
Singapore and Chongqing will serve as mutual gateways in South-east Asia and western China respectively, providing companies access to each other's markets.

It has started as a venture between Singapore and Chongqing as a multi-modal service, but it has been expanded by other Chinese provinces taking advantage of the new route and enhanced strongly by the operation of the China-Laos Railway in December 2021, which boosted the overland transport with Thailand, Cambodia in competition with the China- Vietnam rail connection.

7000+ trains between Qinzhou & Chongqing in 1<sup>st</sup> 10 months, 2022







## New southward thrusts

The two major keys are the Thailand Railway line joining Vientiane and the China-Myanmar Railway. The former is under construction while the latter has been revived in 2022.

Source:

<https://laptrinhx.com/news/can-the-china-laos-railway-keep-on-track-KxRJWAK/>



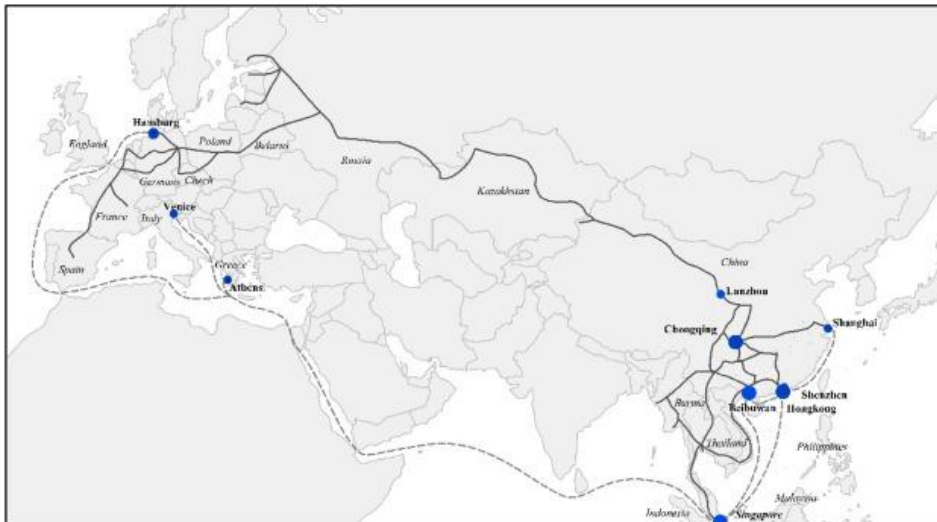
By November 2022, 25 provincial-level regions in China have operated international freight trains on the China-Laos Railway, and freight transportation has covered countries and regions including Laos, Thailand, Myanmar and Singapore.



1<sup>st</sup> half of 2022, cargoes carried by the NILSTC increased by 33.4%. Number of trains going through rose from 178 in 2017 to 6,117 in 2021.

It took about a month to export goods produced in western China to ASEAN countries via river-sea routes, but now they can be transported to Vietnam via the new land-sea corridor in just four days.

In July this year, the Vietnam Railways Corporation coordinated a container train departing from Yen Vien Station (Vietnam), via Zhengzhou to connect with Liege city (Belgium), then overland transit to the destination city of Rotterdam. In August a service went from Kazakhstan to Xian and eventually Hanoi; Xian to Hanoi took 8 days.





## Land - Sea Express



Source: Ocean Rail Logistics,