

Russian rail - a bridge between east and west

Russian Railways Logistics division (RZDL) upped its profile recently when it sent its first container train from China to Europe using a streamlined customs system - but the company has for some time offered a similar system between Russia itself and Europe.

The CIM/SMGS common consignment note - a rail equivalent to the TIR system for road transport - is issued in both paper and electronic form and fulfils EU requirements for prior authorisation for the Eurasian rail corridor for countries like China, Kazakhstan and Mongolia as well as Russia. According to RZDL chief executive officer, Pavel Sokolov it will save clients money as it eliminates the charge for re-issuing the CIM consignment note at each border crossing, as well as reducing delays.

RZDL offers rail transport to western Europe from a

surprisingly wide range of places including Saudi Arabia, Thailand, Malaysia, China and South Korea via its Dostyk border post with Kazakstan. North China traffic uses the Transiberian railway while south China flows go via Dostyk in Kazakhstan, then South Russia and into Europe. The service includes seafreight connections where necessary, customs clearance and forwarding to or from the Chinese railway system if needed. In fact, says RZDL spokesperson Enzhe Nasyrova, "RZDL can offer logistics solutions to or from any continent."

As far as Russia itself is concerned, RZDL cooperates mainly with Russian Railways Holding subsidiaries such as JSC TransContainer, JSC Freight One and JSC Freight Two. Routes operated include Saint-Petersburg-Yekaterinburg and in the east-west and north-south directions connecting



the Northern ports with the Caucasus region and the Southern ports and the Russian far east with the European part of the country. RZDL also handles freight forwarding activities to and from the remote, thinly-populated regions of Siberia, providing important support for the economic and social life of the region.

Sample routes and transit times include Chongqing in China to Duisburg (Germany) in around 18 days for the 10,700km

route. Current frequency is once a week but service will be increased to 2-3 container trains per week, says RZDL.

It would also theoretically be possible to offer services from, for example, Novosibirsk in Russia to Duisburg, Germany in 10-14 days for the 5,600km route km or from Vladivostok in 18-25 days for the 11,570km, but these are not currently being offered.

The Russians have promoted the Transiberian route as an alternative to shipping services from Asia to Europe for decades - in Soviet days it was seen as a useful hard currency earner. In contrast to the shipping lines, which have been scaling back their services lately, RZDL says

been using the new CIM/SMGS Common Consignment Note, the first train arriving in the German city on 16 November.

RZDL has very close relations with CIS countries, especially Ukraine, Belarus and Kazakhstan which are on the main transit routes to Europe, Central Asia and Middle East. The route through Russia and Kazakhstan is important for freight forwarding from China to Germany, for example. RZDL signed a memorandum on development of transport and logistics with Kazakhstan Temir Jholy and Belarusian Railways, which envisages the creation of a joint transport and logistics company to control rolling stock and terminal storage facilities, providing attractive transit solutions throughout the whole '1520 space' linking Europe and Asia. The latter refers to the 1520mm gauge of the railways in Russia and the CIS, as opposed to the European - and Chinese - 'standard' gauge of 1435mm.

The Russian railways (RZD) also recently announced that it would buy a three-quarter stake in Gefco, the logistics arm of financially-troubled French car maker PSA Peugeot Citroën for €800m. In fact, RZDL has had a joint project with GEFECO for car part transportation to the French Peugeot Citroën plant in Kaluga for some time, moving 50,000 teu from France in 2011/12. Transportation for the car maker's CKD (completely knocked down) assembly operations also started in the third quarter of 2012, with Gefco handling sea freight from Argentina to the port of Riga, and with RZDL providing onward logistics services. Planned volume is predicted at 400 teu per month or one container train per week. The project will run until at least 2015.



Pavel Sokolov

that custom remains strong, although it does fluctuate according to the season - it generally falls away somewhat during the winter.

In June 2012, it formed YuXinOu (Chongqing), a Chinese Joint venture for regular block trains on the Chongqing to Duisburg, route including a full range of door-to-door logistics services, in partnership with Chinese, Russian, Kazakh and German interests. RZDL owns 16.3% of the share capital. The joint venture has already despatched 16 container trains with Hewlett-Packard (HP) products and also sent the first train with ACER products in September, and has since late October

Europe route. FELB is a partner and supplier of transportation services for a number of large companies such as BMW, LG, Samsung, and specializes in transit container rail transportation from China to Europe via Zabaykalsk, Russia. Russian Railways Logistics has now acquired 10.2% of the FELB shares from TransContainer and FELB operates under the effective control of RZDL.

EuroRailTrans is another joint venture, mainly concerned with the development of transit traffic through Latvian ports, approved by RZDL in January 2012.

RZDL has also been moving non-military cargo delivery for NATO peacekeeping forces from the ports of Latvia to Afghanistan. This is joint project between Russian Railways Logistics and Gefco Baltic, with containers sent by sea to the port of Riga, where container trains are formed and dispatched to Afghanistan via Latvia, Russia, Kazakhstan and Uzbekistan. Transit time from Riga (Latvia) to Galaba (Tajikistan) is 20-22 days and 429 teu had been delivered by late 2012.

RZD Logistics and Souzvneshtrans are meanwhile developing plans for clearance of non-military NATO cargo during withdrawal of French peacekeepers from Afghanistan. One option is transportation of the loaded containers by air to Ulyanovsk city and on-forwarding by rail to ports in the Baltic States.

RZDL also provides container train delivery for retailer OBI from China to OBI warehouses in the Moscow region. The complete service includes sending containers to four ports of China, namely Ningbo, Nanjing, Qingdao, Yantyan, sea freight forwarding to the port of Yingkou, where the train is made up, transportation across China and further transit as a part of a container train to the Moscow rail hub, unloading and organization of container road freight forwarding to client warehouse on the agreed day.

There are also several projects to develop regular international container trains from France and Italy to Russia; however, these are currently in the development phase.



www.airbridgecargo.com

Advantages of new fleet:

- 16% More Cargo Capacity
- Faster Turn Times - Lower Costs
- Advanced Flight Deck Technology
- New High-Lift System-less fuel
- More Durable and Lighter
- 16% lower operating costs per tonne-km

**AIRBRIDGECARGO INTRODUCES
BRAND NEW BOEING 747-8F TO ITS FLEET**



988 km/h

Maximum speed

8,130 km

Range at full payload

134,2t

Maximum structural payload

lower operating costs per tonne-km

Contacts

Russia + 7 495 7862613	the Netherlands + 31 20 654 9030	China + 86 21 52080011
Germany + 49 6963 8097 100	USA +1 (847) 261 0214	Japan +81 3 5777 4025