DISCOVER LATVIA
Your Partner for Cooperation

Indra Freiberga
Senior Investment Advisor
Investment and Development Agency of Latvia (LIAA)
April 29, 2015

INVESTMENT AND DEVELOPMENT AGENCY OF LATVIA (LIAA) - FUNCTIONS AND ACTIVITIES

LIAA awarded by UNCTAD for excellence in promoting export – oriented FDI (2013)
LIAA INTERNATIONAL PRESENCE
Representative offices in 19 countries
(JP, CH, SG, UAE, AZ, UKR, RUS, BY, LT, FIN, SWE, NOR, DK, PL, GER, NED, FRA, UK, IT, AZ) + Latvia

LIAA FUNCTIONS – OUR 8 PREMIUM FREE SERVICES

1. Information on economic and market situation
2. Business opportunities and investment incentives
3. Contacts with Latvian business partners
4. Identification of best property options
5. Cooperation with municipalities
6. Assistance with start-up procedures
7. Access to relevant government officials
8. Investment project follow-up
ACCESSIBILITY
19 Airlines Operate 81 Direct Flights to/from Riga International Airport in Summer Season and 70 Flights in Winter Season

During the last 10 years the number of passengers has grown 5 times

LATVIA: GATEWAY BETWEEN EUROPE AND THE CIS
A NATURAL BRIDGE FOR TRAFFIC BETWEEN EUROPE AND ASIA

RIGA – METROPOLIS OF THE BALTICS
Riga is the largest city in the Baltic States: 643,368/1,01 million (with suburbs)

Stockholm 897,700
Riga 643,368
Oslo 634,463
Helsinki 612,664
Copenhagen 530,612
Vilnius 529,022
Tallinn 411,063
GROSS DOMESTIC PRODUCT
By current prices and kind of activity in billions of EUR

GDP per capita by current prices (2014): €12 051

GROSS DOMESTIC PRODUCT
By kind of services, 2014 (%)

- Trade: 19.1%
- Real estate: 17.5%
- Transportation and storage: 13.0%
- Professional, scientific and administrative services: 12.4%
- Accommodation and food recreation: 5.6%
- Health care: 4.2%
- Education: 6.4%
- ICT: 6.4%
- Public administration and defence: 9.9%
- Finance: 5.8%
- Entertainment and recreation: 3.6%
- Public administration and defence: 9.9%

LIAA - Investment and Development Agency of Latvia
GROSS DOMESTIC PRODUCT
Stable increase, fastest growing economy in EU

FOREIGN DIRECT INVESTMENT (FDI) TRENDS
Cumulative FDI into Latvia (Billions of Euro)
FDI Stock by Country (% 2014)
POTENTIAL BUSINESS LOCATIONS IN LATVIA

Major cities in Latvia:
Riga, Daugavpils, Liepaja, Jelgava, Jūrmala, Ventspils, Rezekne, Valmiera, Jēkabpils

BUSINESS PARKS IN LATVIA

Cities in Latvia:
Riga, Olaine, Jelgava, Ogre, Alzbraukle, Ventspils, Liepaja, Daugavpils
By law, foreign investors have the same rights and duties as local investors.

Foreign companies registered in Latvia are entitled to buy land and property.

The foreign investor may be sole founder and owner of a company.

The foreign investor may request a temporary residence permit.

Active dialogue between the Foreign Investors' Council in Latvia (FICIL).

Efficient start-up procedure (company registration in 1 day).

**TAX SYSTEM**

- Corporate income tax: 15%
- Personal income tax: 23%
- Employers social tax: 23.59%
- Employee social tax: 10.5%
- VAT: 21%
BUSINESS INCENTIVES IN LATVIA

Tax Incentives
Labour-Related Incentives
Financial Incentives
EU Structural Funds Programmes 2014-2020
Temporary Residence Permits

EXAMPLE:
Investments = 10 million EUR
Gross Profit = 1 million EUR
Real Estate Cadastral Value = 1 million EUR

Taxation in Latvia
Corporate Income Tax (15%) = 150 000 EUR
Real Estate Tax (1.5%) = 15 000 EUR
Total = 165 000 EUR

Taxation in SEZ
Corporate Income Tax (3%) = 30 000 EUR
Real Estate Tax (0.3%) = 3 000 EUR
Totally applied = 33 000 EUR

Savings per year = 165 000 EUR – 33 000 EUR = 132 000 EUR

TAX INCENTIVES IN LATVIA (I)
Special Economic Zone (SEZ): RIGA, VENTSPILS, LIEPÄJA, REZKNE (valid until 2035)

Tax credit up to 35% - 55% of total investments, in the form of:
80% rebate on real estate tax
80% rebate on CIT
80% rebate on income tax for non-residents when receiving dividends

POLARIS
LIAA - Investment and Development Agency of Latvia
**TAX INCENTIVES IN LATVIA (II)**

Corporate income tax rebate for large-scale (>10 million EUR) investment projects.

- 25% of total initial long-term investment up to EUR 50 Million
- 15% of total initial long-term investment exceeding EUR 50 Million

**TAX INCENTIVES IN LATVIA (III)**

- **Beneficial depreciation ratio for new technological equipment**
  - Taxpayers may calculate tax depreciation from a higher initial value of fixed assets using a coefficient of **1.5 (150%)**

- **Beneficial depreciation ratio for R&D activities**
  - From 1 July taxpayers may reduce taxable income of corporate income tax for costs related to R&D, using a coefficient of **3 (300%)**

- **Loss carry forward**
  - Losses can be carried forward indefinitely
LABOUR RELATED INCENTIVES AT DIFFERENT STAGES OF HIRING PROCESS

Finding relevant personnel (State Employment Agency)
- Vacancy registration and employee selections

Pre-hiring training (State Employment Agency)
- Training of the unemployed on employer’s request

Job creation grants (State Employment Agency)
- Grants for Employing Disabled Persons (state co-financed program)
- Grants for Employing Persons Representing Disadvantaged Groups (EU structural fund co-financed program)
- Grants providing First Job Opportunities for Young People

Raising qualification of employees (LIAA)
- Support for training organized in partnership

FINANCIAL INCENTIVES

State and EU rendered loans
- For Development of Business – Loans from State Aid Programs at Latvian Development Financial Institution «Altum»
- Mezzanine Loans for Improving Competitiveness of Economic Operators and for Working Capital, administrated by Latvian Guarantee Agency
  Long-term loan with increased credit risk, subordinated in relation to a loan granted by a credit institution and secured by lower security than the loan of a credit institution. Maximum amount for improving competitiveness - 5 000 000 EUR (10 years), for working capital – 200 000 EUR (3 years).

Credit Guarantees

Venture capital
EU STRUCTURAL FUND PROGRAMS 2014-2020

- Total Available Financing 764.15 MEUR (for the development of Entrepreneurship and Energy Efficiency)

- Support for SME’s: 237.1 MEUR
- Energy Efficiency: 333.6 MEUR
- Innovation: 193.5 MEUR

TEMPORARY RESIDENCE PERMITS

Temporary residence permits may be requested by foreign investors who have done one of the following:

- **Invested in equity** (increased equity capital for existing company or established new company) of company in Latvia:
  - at least 35 000 EUR in company with turnover or annual balance sheet not exceeding 10 million EUR, with a personnel of no more than 50 employees and annual tax payments of at least 40 000 EUR
  - invested at least 150 000 EUR in company with turnover or annual balance sheet exceeding 10 million EUR, with a personnel of more than 50 employees

- **Acquired real estate**
  - residency permits may be acquired by purchasing real estate with a minimum value of 250 000 EUR anywhere in Latvia.
    - Additional 5% of real estate value must be paid to the state budget

- **Made subordinated capital investments at least of EUR 280 000 in a Latvian credit institution**
  - Additional 25 000 EUR must be paid to the state budget
The Polaris Process is an **investment attraction methodology** which involves the cooperation and exchange of information between several key stakeholders:

- Municipalities
- Foreign investors
- The private sector
- Universities
- Government
- LIAA and LIAA representatives abroad

The main aim of the Polaris Process is to create a favourable investment climate in Latvia.

**INVESTMENT COORDINATION: HIGH COUNCIL**

**CONSISTS OF**
- Prime Minister (Chairman)
- Minister for Economics
- Minister for Finance
- Minister for Transportation
- Minister for Foreign Affairs
- Minister for Agriculture
- Minister for Education and Science
- Minister for Environment Protection and Regional Development

**MAIN DIRECTIONS**
- Governmental level support for investment projects
- Establishment of support and incentive instruments
- Elimination and prevention of administrative and regulatory barriers
STRATEGIC SECTORS

1. WOODWORKING
2. METALWORKING, MACHINERY, AND ELECTRONICS
3. TRANSPORT AND LOGISTICS
4. INFORMATION TECHNOLOGY (incl. Global Business Services)
5. LIFE SCIENCES
6. HEALTHCARE
7. GREENTECH
8. FOOD PROCESSING

Case Study: Transport & Logistics
Company: Cargo Services (India)

SIA “Cargo Services” is Indian company based in Riga, Latvia and was established in the year 2001. Today companies core business is cargo warehousing and forwarding. Currently company is operating several warehouses in Riga and Riga region with total amount of 5 000 square meters and planning to expand. The main cargoes are pharmaceuticals and electronics. Companies clients, the owners of the goods, are located in Russia, India, Belgium, Australia and other countries as well. Currently company has 10 employees and presence in Mumbai, Deli, Moscow, Minsk, Belarus and Ukraine.

The offered services:
• Road Transport
• Railway Freight Services
• Ocean Freight Services
• Warehousing Services
• Air Freight Services

www.siacargoservice.com
Case Study: Transport & Logistics
Company: Riga Universal Terminal
(Singapore/Japan/Latvia)

Riga Universal Terminal operates in the Port of Riga, Latvia's largest seaport situated at the Baltic Sea to serve as a crossroad for trade between the East and West. RUT was founded in 2001, terminal today handles more than 2.5 mil tons of cargoes annually. RUT mainly operates within wood, frozen food and container handling markets. In 2013, Mitsui & Co., Ltd. («Mitsui») (via its subsidiary Portek International Pte. Ltd.), acquired an 80% equity stake in RUT. In 2014, the rest of the equity stake was acquired by «Portek».

The offered services include:
• General/bulk cargo handling
• Frozen food cargo handling
• Container handling
• Warehousing services
• Rail wagon storage

Welcome to Latvia!

For more information please contact:
Investment and Development Agency of Latvia
2 Perses Street, Riga, Latvia LV-1442
T: +371 67039400
E: invest@liaa.gov.lv
Latvian Logistics Association (LLA) is established in 14 of November, 1997. Organisations and specialists in the fields of Logistics and Customs have joined in LLA with the main goal: to promote international trade, ensure safe and reliable cargo flow through Latvia and develop logistics and customs brokers activities in Latvia.

One of the main reasons why LLA was established at that time was need for completely new legislation acts in the field of Customs clearance operations. And Association was the body that took very active part in this legislation development process - new institution "Customs Brokers" was the outcome.

LLA has took part in establishing of Business Co-operation Council in Latvia, has joined IFCBA and CONFIAD organisations, has started active co-operation with European Logistics Association.

In the 1998 LLA has signed co-operation agreement with Russian National Customs Brokers Association.

In the 2013 LLA has signed co-operation agreement with Transport Union of Kazakhstan KAZLOGISTICS.

In close cooperation with Ministry of Finance, Ministry of Economics and Ministry of Transport LLA has succeeded to implement a number of positive changes in the legislation of Latvia, which provide a very serious base for being a real transit gateway between Far East, Europe, Russia and CIS countries.

LLA today:
- More than 50 members
- Annual turnover ~ 1 000 000 000 EUR

:: LATVIAN LOGISTICS ASSOCIATION :: http://www.lla.lv
Welcome to Latvian logistics world!

Latvia – member of European Union

Latvia – member of wide gauge (1520 mm) railway area

Latvia – first direct border country between EU and Russia
United railway procedures within the territory of rail gauge 1520mm:

- The same waybill from the Shipper up to the Consignee;
- The same Railway system (completely integrated);
- The same communication language (Russian)

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Major East-West traffic routes in Eurasia

- Transsiberian Railway (Far East – Europe within 15–18 days)
- New Silkway (China – Kazakhstan – Russia – Europe within 11–12 days)
- Ocean route (China – Europe within 35–45 days)
- External border of EU, borders of Belorussia and Ukraine
This map from latest transport policy document called “Networks for peace and development. Extension of the major trans-European transport axes to the neighbouring countries and regions” illustrates significant role of Latvia as a gateway between EU and Russia (and further Far East and Asia) – the only direct channel from and to Russia lies via Latvia!

- Closest border with Russia and CIS countries for almost all EU countries;
- Geographical centre for Baltic countries with the biggest Baltic city Riga in centre;
- 3 non-freezing big international ports (all certified according ISPS Code), that are perfectly linked with rail and road transport;
- Almost all logistics service providers speak at least 3 languages (English, Russian, Latvian; German is also represented);
- Leading IT system providers in the Baltic region are located here and available for development of various e-logistics solutions;
- Well developed transport infrastructure for road, rail, maritime and even pipeline transport;
- Rail system which is completely integrated with the Russia and CIS countries (rail standards, common information systems e.t.c.)
This very simple example illustrates only one possibility how any importer can save 5% to 7% out of the total value of his product, by locating his logistics centre or EU distribution warehouse in Latvia.
Most favorable tax legislation for importing goods from 3rd countries to EU via Latvia:

- Possibility to release goods for free circulation in Latvia by paying only customs duty (VAT is postponed to the final receiver in any of EU countries);
- The final receiver of the goods is calculating all taxes as for regular EU transaction, which means, that VAT physically is not paid, but showed in VAT report;
- There is no need to apply transit customs procedure to transport goods from the point of importation (Latvia) to the final receiver (and no customs guarantee is required).

This solution is based on EC Regulations No 2913/92 and No 2454/93, as well as Law on Value Added Tax of the Republic of Latvia (Article 33).

Simplified Customs procedures

**INCOMPLETE CUSTOMS CLEARANCE**

The procedure for incomplete declarations shall allow the customs authorities to accept, in a duly justified case, a declaration which does not contain all the particulars required, or which is not accompanied by all documents necessary for the customs procedure in question.

**SIMPLIFIED CUSTOMS CLEARANCE**

The simplified declaration procedure shall enable goods to be entered for the customs procedure in question on presentation of a simplified declaration with subsequent presentation of a supplementary declaration which may be of a general, periodic or recapitulative nature, as appropriate.

**LOCAL CUSTOMS CLEARANCE**

The local clearance procedure shall enable the entry of goods for the customs procedure in question to be carried out at the premises of the person concerned or at other places designated or approved by the customs authorities.
All Customs procedures (even for complete import) are carried out by the Company itself (without physical presence of Customs Officials).

Also Customs duties are calculated and paid by the Company itself.

Customs can authorize the Company to make even full cargo physical control. Company informs Customs about the results just after the control process.

Practise – first block-train CN-LV-EU

2007 :: First container (Beijing (CN) – Krustpils (LV))
2007 :: Group of containers (Beijing (CN) – Krustpils (LV))
2008 :: First block train (96 TEU; Urumqi (CN) – Riga (LV) – Hamburg (DE))

Transport mode index:
- CN-KZ by rail (switch gauge: Alashankou-Dostik)
- KZ-RU-LV by rail (gauge 1520mm)
- LV-CZ/NL by truck
- LV-EU by seafreight

10 days transit time from Dostyk to Riga port terminal
14 days transit time from terminal Urumqi to door Central EU
Regular container train bring containers 2x week between Baltic ports and Central Asia (Kazakhstan, Uzbekistan, Kirgizstan, Turkmenistan)

Next step is to prolong this line and to connect it with China. Both governments and private operators of Latvia, China and Kazakhstan are working on the development of this route.

In summer 2009 first complete container blocktrain was delivered via Riga port to Afghanistan with non-military goods for NATO.

At the moment Latvia has developed strategy which states several potential locations of big international logistics centre. Centre should be as a port or dry port for consolidation and de-consolidation of international flows of goods. Already in the times of former soviet union transport infrastructure in Latvia was planed and built to function as a intermodal transport node.

If we consider that after joining the EU, Latvia is the first (for RU and Far East export to EU) and last border (for EU export to RU and Far East), then here naturally should be appropriate logistics infrastructure and logistics centres are very important element.
Summary

MAIN OPPORTUNITIES
• Perfect setup for cargo flows from Russia, CIS, USA, Brasil, Japan, China e.t.c. to EU. Import of goods to EU via Latvia without paying VAT in LV (VAT is applied as for intra EU trade transaction). All customs formalities and duties can be done by LV Customs broker

• Ideal place for regional distribution warehouse / terminal for Baltic and especially Russia&CIS. Quick response time, common rail system and excellent possibilities to do business with non-EU companies (all trade transactions in LV territory are exempt from VAT if export is started).

LATEST TRENDS
• Logistics is announced as one of the most important priorities for Ministry of Transport and Ministry of Economics
• A number of significant changes in national legislation (Customs, VAT, Excise and Packing issues) have been recently made in order to attract more cargo flows via Latvia
• Big international companies are planning to restructure their Baltic and Russia&CIS distribution systems in favor of Latvia
• Latvian Logistics Association has developed project for implementation of professional certification system in logistics according standards developed by European Certification Board for Logistics in Latvia

:: LATVIAN LOGISTICS ASSOCIATION :: http://www.lla.lv
EURO-ASIAN TRANSPORT LINKS

3rd ASEM TRANSPORT MINISTERS MEETING,
Riga, 29-30 April 2015

United Nations Economic Commission for Europe - Transport Division

United Nations Economic Commission for Europe

Transport Division
Inland Transport Committee

- International platform
  - Regulatory work
  - Analytical work
  - Technical assistance
    - capacity bldg
    - accession
    - implementation

United Nations Economic Commission for Europe - Transport Division
Contents

• EATL objectives/background
• EATL Phase I and II: achievements
• EATL Phase III: plans and expectations

EATL OBJECTIVES

• To make the Europe-Asia overland transport links more efficient, fast, safe, secure and competitive
  - To address growing trade between Asia and Europe and congestion of major ports
  - To address infrastructure and border crossing obstacles
  - To foster integration and cooperation in the region towards more sustainable transport
Export flows between EATL countries, 2013

United Nations Economic Commission for Europe - Transport Division

China-Europe trade: 99 per cent maritime-based (by weight)

Cost/speed of delivery: road/rail niche

Air and sea transport: faster or cheaper and more reliable

Average border crossing times for selected BCP, 2013

Source: CAREC, CAREC O&M Corridor Performance Measurement and Monitoring Annual Report, 2013

United Nations Economic Commission for Europe - Transport Division

Long waiting at borders (or waiting for goods to be released/cleared) is costly

Bishkek – Warsaw route
Min. border time: 0.4 day
Max. border time: 4.5 days

Min.: 5
Avg.: 11
Max.: 26 hrs

In some countries, numerous controls also occur en route.


EATL Approach

- EATL Expert Group: a platform for development of coherent Euro-Asian inland transport
- National Focal Points: provide information, meet, discuss, analyse, recommend
Phase I (2002-2007) - Achievements

- 18 countries, 6 EG meetings
- Selection of main Euro-Asian road, rail and inland water transport routes, transshipment points and ports
- Prioritization (infrastructure projects)
- Preliminary analysis (non-physical obstacles)
- Database, GIS maps
- Final report/ Joint ECE/ESCAP study

Phase I – EATL Ministerial
**EATL Phase II (2008-2012)**

- 27 participating countries
- Seven EG meetings
- Continue infrastructure prioritisation
- Emphasis on facilitation
- Partial funding from the Russian Federation, Kazakhstan, Turkey, OSCE, BSEC

Report (600 pages) is freely available in English and Russian

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**Phase II – Final report**

- Road and rail routes, ports, transshipment points and terminals updated for priority development and extended to include the 9 newly involved counties
  - 311 priority transport projects - total cost $215 billion
- SWOT Analysis: strong and weak points of EATL inland transport links
- EATL GIS: http://apps.unece.org/eatl/
- Non-physical obstacles: waiting times at borders, insufficient 24/7, delays for controls
- Comparison study of Euro-Asian maritime routes with selected rail routes
  - Nine door-to-door transport scenarios:
    - In five out of the nine scenarios, rail transport performs better than maritime for both the cost and time
    - In all nine scenarios, rail transport performs better than the maritime in terms of time
- Assumption: no bottlenecks at borders

United Nations Economic Commission for Europe - Transport Division
Door-to-door comparison

<table>
<thead>
<tr>
<th>Scenario 1: EATL Route 1</th>
<th>Scenario 2: EATL Route 2</th>
<th>Scenario 3: EATL Route 3</th>
<th>Scenario 4: EATL Route 4</th>
<th>Scenario 5: EATL Route 5</th>
<th>Scenario 6: EATL Route 6</th>
<th>Scenario 7: EATL Route 7</th>
<th>Scenario 8: EATL Route 8</th>
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<td>Taldyqork (Kazakhstan)</td>
<td>Almaty (Kazakhstan) to</td>
<td>Inverwold (Netherlands)</td>
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Phase II – Final report

- Comparison study proved that the Europe-Asia overland rail transport is not a myth but a viable reality today
- Competitive Euro-Asian rail transport, and its combination with maritime and road transport is feasible
- Firms increasingly use the rail option in Euro-Asian trade
- Border crossing facilitation: a challenge
Forty Ministers, and other high ranking officials; Ministerial Statement on EATL;
Phase II Report approved; Phase III (2013-15) endorsed; 38 countries - eleven additional
EATL Phase III - Objectives

To make the EATL rail and road routes operational

- Promote priority EATL projects
- Identify types and quantities of cargo that could be transported along the Euro-Asian rail and road links
- Facilitate and coordinate integration of time schedules and tariffs
- Further update and improve GIS internet free-access application and develop a web tool to compare inland and maritime transport options
- Promote Euro-Asian inland transport: an integrated marketing strategy

Work plan:
EATL - Conclusions

- Increasing **business interest** in using overland routes between Europe and Asia
- EATL routes offer a **viable alternative** to maritime transport
- EATL infrastructure as well as BC procedures need **further development**
- EATL project provides a continuous inter-governmental platform

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Viking train

- Cooperation between operators, railroads and freight forwarders of Lithuania, Belarus and Ukraine – now joined by Bulgaria, Moldova and Turkey.
- Travels the distance of 1,734 km. from Klaipėda to Ilyichevsk in 56.5 hours, with regular weekly (3/7) schedule.
- Train carries 20, 40 and 45-feet universal and special containers, trailers, trucks and semi-trailers.
- In 2003, 177 TEU were moved on the Viking; since then the freight volume has constantly increased to 38,173 TEU in 2013
Examples of freight rail services

• Regular weekly container (41 TEU) block train from Zenghou to Hamburg

• Launched by DB Schenker and Zenghou International Land Port Development and Construction Co. TLD, in mid-2013.

• Multi-customer train focusing on electronics such as robots.

From China to Spain and back

- 13000 kilometres from Yiwu to Madrid
- through Kazakhstan, Russia, Belarus, Poland, Germany and France
- 30 containers carrying 1,400 tonnes of cargo
- the journey was a test run to assess the viability of adding Spain to a route that already links China with Germany five times a week linking Chongqing, the huge industrial city in south-west China, with Duisburg, and Beijing with Hamburg
- it took three weeks to complete a journey that takes up to six weeks by sea;
- more environmentally friendly than road transport, which would produce 114 tonnes of CO2 to shift the same volume of goods, compared with the 44 tonnes produced by the train – a 62% reduction
- the cargo had to be transferred three times during the journey as a result of incompatible rail gauges. The locomotive had to be changed every 500 miles.
Resolution 69/213 adopted by the General Assembly on 19 December 2014

Role of transport and transit corridors in ensuring international cooperation for sustainable development

1. Recognizes the need for continued international cooperation to address the issues relating to transport and transit corridors as an important element of sustainable development;

4. Calls upon Member States and international and regional organizations to further encourage enhanced networking and periodic consultation among related stakeholders involved in the development and operation of international transport and transit corridors;

5. Invites all States that have not yet done so to consider signing, ratifying or acceding to the United Nations conventions and agreements on transport and transit facilitation;

6. Underscores the need to mobilize, as appropriate, additional financial resources for the development of transport infrastructure and services, including through the promotion of public-private partnerships, so as to achieve inclusive and sustainable development;

7. Encourages the United Nations system organizations, related international financing institutions, multilateral and bilateral donors, the private sector and international organizations to further coordinate their efforts and collaborate in mobilizing financial and technical assistance to countries for the sustainable and inclusive development of transport and transit corridors;

United Nations Economic Commission for Europe - Transport Division

http://www.unece.org/trans/welcome.html

United Nations Economic Commission for Europe - Transport Division

miodrag.pesut@unece.org
Chengdu-Europe Express Rail Fueling Sino-Europe Economic Growth

-- Speech at the 3rd ASEM Transport Ministers Meeting
About Chengdu

Direct cargo trains from Chengdu to Europe

Joint efforts to forge a major artery linking Asia and Europe
成都的基本情况

About Chengdu

中国西南地区“三中心、两枢纽”
Home to 3 centers and 2 hubs of Southwestern China

面积1.21万平方公里
Size: 12,100 sqkm

人口1400多万
Population: more than 14 million
About Chengdu

- 3000年历史
  3,000 years of history
- “天府之国”
  Land of Abundance
- 熊猫的故乡
  Pandas’ hometown

- 被《福布斯》杂志评为未来10年全球发展最快城市第一
  Named the world’s fastest growing city in the next decade by Forbes Magazine

- 被联合国教科文组织和世界旅游组织授予世界美食之都、中国最佳旅游城市称号
  Titled City of Gastronomy and Top Tourist Destination in China by UNESCO and WTO
成都自古就是中国最重要的交通咽喉枢纽

Chengdu is the most important traffic hub and logistic distribution center since ancient times
成都已开通28条国际直飞客运航线和9条国际货运航线
Airport offering 28 direct international passenger lines and 9 international cargo lines

2014年旅客吞吐量3771万人次、货运量54.77万吨
Passenger throughput 37.71 million and cargo throughput over 547,700 tons in 2014

中国内陆最大、全国第四航空枢纽
The largest in inland China and 4th largest nationwide
成都是中国西部地区的交通枢纽
Chengdu, Transportation Hub of West China

- 拥有亚洲规模最大的铁路集装箱中心站
  Home to Asia’s largest railway container station
- 2014年铁路货运量5850万吨
  Throughput 58.50 million tons in 2014
- 中国西部最大的铁路枢纽
  The biggest railway hub in West China
Chengdu, Economic Center of West China

- GDP approximately $170 billion in 2014
- Per capita GDP at more than $10,000
- Consumer retail sales total approximately $70 billion
- Commodity imports and exports total $55.85 billion
- Utilized foreign investments $10.02 billion
- Established 11 major industry clusters in electronics & information, car making, aerospace, PE & PV, biopharmaceutical, etc.
成都是中国西部对外开放的门户
Chengdu, West China’s Gateway of Openness

- 262家世界500强企业落户成都
  262 of World Fortune 500 present in town
- 美国、德国、法国、澳大利亚等12个国家在成都设立领事机构
  Hosting consulates of 12 nations, e.g. US, Germany, France and Australia
- 现有花旗、渣打等15家外资银行机构和中英人寿、中航安盟等17家外资保险机构
  15 foreign banking institutions (e.g. Citigroup and Standard Chartered) and 17 foreign insurers (e.g. AVIVA-COFCO and Groupama)
- 中国内陆第一个实施72小时过境免签的城市
  The first inland city in China to offer 72-hr Transit Without Visa (TWOV)
About Chengdu

Direct cargo trains from Chengdu to Europe

Joint efforts to forge a major artery linking Asia and Europe
蓉欧快铁概况及运行特点
About Chengdu-Europe Express Rail and its operation

- 线路全长9826公里，运行时间为11天，是目前国内运行最稳定、唯一不对标海运价揽货并采取市场化运行的中欧班列
  Extending 9,826 kilometers long, running 11 days per trip, most stable and the only rail in China with market-oriented operation

- 2013年4月26日开始稳定运行，每周定时发班，每列41个40英尺集装箱
  Began scheduled operation with 41 containers of 40 feet in Apr 26, 2013

- 2015年5月，蓉欧快铁将开行返程测试班列，逐步实现双向稳定运行，力争将运行时间缩短至10天以内。
  The return train will start in May, and cut the runtime to 10 days in 2015
蓉欧快铁概况及运行特点

**关于蓉欧快铁**

- **高效直达**
  - 班列采取定线路、定站点、定车次、定时间、定价格的“五定模式”运行，整列运行、中途不解体
  - Operated via fixed line, stops, schedule, time and fare, run in total without breakup on route

- **快速优价**
  - 运输时间是传统铁海联运时间的1/3，运价是空运费用的1/4
  - One third of time compared to rail-sea transport, and one fourth of cost to air transport

- **定期发班**
  - 每周固定时间开行，每周至少一列，冬季不停运
  - At least one train per week, no suspension in winter

- **快速通关**
  - 实现全程EDI电子报关，采取“一次申报、一次查验、一次放行”的快速通关模式
  - EDI electronic clearance all the way, one-time application, inspection and release

- **安全可靠**
  - 班列运行全程GPS跟踪，特制集装箱电子安全锁，用户可实时跟踪班列信息
  - All-way GPS tracking, electronic safety lock on containers for users to track the train in real time

- **公共平台**
  - 采取社会公共物流平台营运模式，面向社会组织货源，受理整箱拼箱业务
  - Operated in the model of a private public logistic platform, open sourcing and offering bulk LCL service

- **市场化运作**
  - 中外合资企业蓉欧快铁班列有限公司负责按照市场化模式提供全程物流服务
  - Provide the whole process logistics services in accordance with the market-oriented model
蓉欧快铁对两地经济社会的作用与影响

Eco-social role & impact on Europe and China

蓉欧快铁是一条极具战略开发价值的物流通道

Chengdu-Europe Express Rail is a logistic gateway with significant strategic development values

- 当集装箱货值 > 50万美元时，
  Provided cargo value per container is greater than $500,000
- 蓉欧快铁运价 < 海运综合运价（运输成本 + 时间成本）
  Fare of Chengdu-Europe Express Rail would be less than overall cost by sea (transport cost plus time cost)
蓉欧快铁对两地经济社会的作用与影响
Eco-social role & impact on Europe and China

成都乃至西部地区架起了通往欧洲大地的陆上货运大通道
A land cargo passage from Chengdu and west China to Europe

改写西部地区发展外向型经济依赖沿海港口发展的历史
Rewrite the history of western Chinese regions having to rely on coastal ports to develop outbound economy

创造了亚欧大陆合作的条件
Created the conditions for cooperation between Asia and Europe

亚欧大陆桥国家
Nation/s on Eurasian Continental Land Bridge

蓉欧快铁
Chengdu-Europe Express

珠江三角洲经济带
Pearl River Delta Economic Belt

长江经济带
Yangtze Economic Belt
推进蓉欧快铁常态化运行的主要途径

Main approaches to normalize operations

- **提升运行效率**
  - 提高换装的效率
  - 优化运行线路
  - 提升通关便捷性
  - 日行1200公里
  - Travel 1,200 km/day
  - 提高换装的效率
  - improve reloading efficiency
  - 优化运行线路
  - optimize route
  - 提升通关便捷性
  - easier clearance
  - 运行时间缩短到10天以内
  - travel time cut to 10 days

- **增加开行频率**
  - 每周稳定开行一列
  - 1 trip/week
  - 实现双向稳定运行
  - Steady 2-way operation
  - 增加班列开行密度
  - Boost trip density

- **降低运输成本**
  - 优化公司股本结构
  - Optimize corporate share structure
  - 设点组织回程货源
  - organize sourcing for return trip
  - 申报设立指定口岸
  - set up designated ports
  - 降低沿线各国运价
  - reduce fares in nations along the way

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波兰（罗兹）Lodz, Poland

中国（成都）Chengdu, China
推进蓉欧快铁常态化运行的主要途径
Main approaches to normalize operations

加快亚太（成都）桥头堡规划建设
Planning and construction the Asia-Pacific (Chengdu) Bridgehead

- 与国际知名投资公司达成初步合作意向，以蓉欧快铁为依托开展跨境贸易、云物流等全方位合作
  Seeking a preliminary cooperation intention with international well-known investment firm, carrying out an all-round cooperation such as cross-border trade and cloud logistics based on Chengdu-Europe Express Rail

- 加强与昆明、宁波、厦门等城市对接，开行两地铁路五定班列，打通东南亚、日韩以及台湾等地西向陆路黄金通道
  Make more efforts to join up with the Kunming, Ningbo, Xiamen, etc., run fixed trains from Chengdu to those cities, and get through the west gold land access for Southeast Asia, Japan, South Korea, Taiwan, etc.
推进蓉欧快铁常态化运行的主要途径

Main approaches to normalize operations

加强成都与欧洲合作

Strengthen the cooperation between Chengdu and Europe

- 在欧洲选择蓉欧快铁第二装卸货站点
  Choose another station in Europe for loading and unloading goods
- 在欧洲建设建设欧中贸易物流转运中心
  Build a logistic transshipment center for Europe-China trade
- 吸引欧洲各国相关企业在蓉投资设立分支机构
  Attract enterprises in Europe to invest in Chengdu or set up a branch
成都的基本情况

About Chengdu

开行成都至欧洲的国际铁路货运直达班列

Direct cargo trains from Chengdu to Europe

携手合作共助未来亚欧大通道

Joint efforts to forge a major artery linking Asia and Europe
Joint efforts to forge a major artery linking Asia and Europe

And expect countries along the way to offer supports in terms of fares, speed, clearance, goods safety and logistic infrastructures.

Cooperation needed

- Incorporate the rail in higher-level strategic collaborations.
- Nations along the rail can set up an official coordination agency for regional collaboration.
- Offer necessary support policies in the early phase.

Collaboration推进
Welcome to Chengdu
谢谢

Thanks!
Prospects and challenges in view of the development of new EU-Asia connectivity

Riga, 30 April 2015
IRU Membership

1948: 8 Founding Member Countries

2015: present in over 100 countries
One Belt – IRU NELTI activities to support development of trade between Asia and Europe
IRU Caravan and NELTI drivers saw this… 
adequate roads but little traffic!!
Until they reached border crossings!!
Pilot Caravans and NELTI results

Lisbon-Vladivostok

Beijing-Berlin-Brussels

Black Sea Highway

IRU-ECO Silk Road

Up to 57% of transport time = border crossings

38% of transport costs = unofficial levies
Implement key UN facilitation instruments to allow transport to drive trade!
Facilitating transit and border crossing procedures

TIR

A global United Nations Customs transit and guarantee system that uses one simple, secure, mutually recognised procedure for door-to-door transport by road, sea and rail.
TIR in 2015: more competitive, attractive and global

China

United Arab Emirates

Pakistan
China speeds up TIR accession process

13 February 2015
China Customs
officially approved
TIR accession file: APPROVED

27 February 2015
Chinese Ministry of Transport: APPROVED

03 March 2015
Administration of Quality Inspection & Quarantine: APPROVED

06 March 2015
Ministry of Public Security: APPROVED

16 April 2015
Ministry of Foreign Affairs: APPROVED
One Belt, One Road – TIR is the solution!
China’s accession to TIR will further increase trade between Asia and Europe

• All EU Member States use TIR

• 35% of all TIR operations are by EU operators

• 5 EU Member States are among the top 10 TIR users (Bulgaria, Latvia, Lithuania, Poland, Romania)

• Central Asian region shows the biggest growth in TIR usage worldwide in recent years

• Other South-Asian countries are showing interest in TIR