



INTERNATIONAL UNION
OF RAILWAYS

EURASIAN CORRIDORS

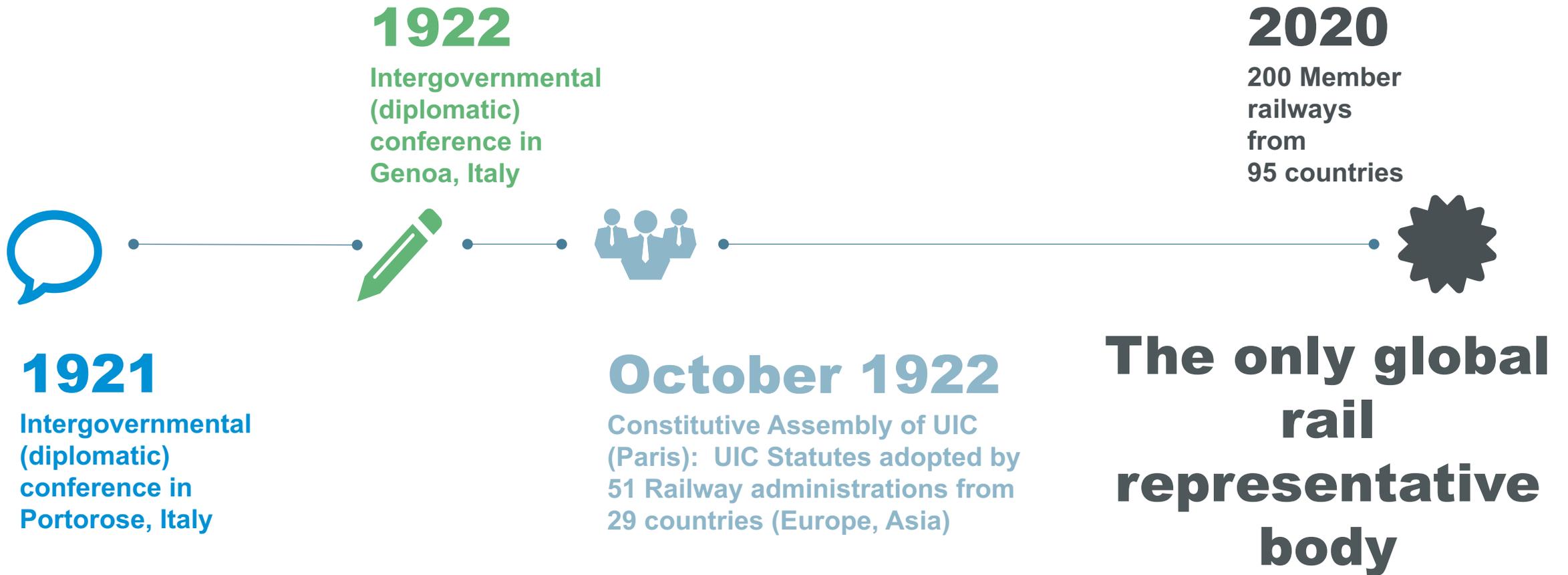
DEVELOPMENT POTENTIAL

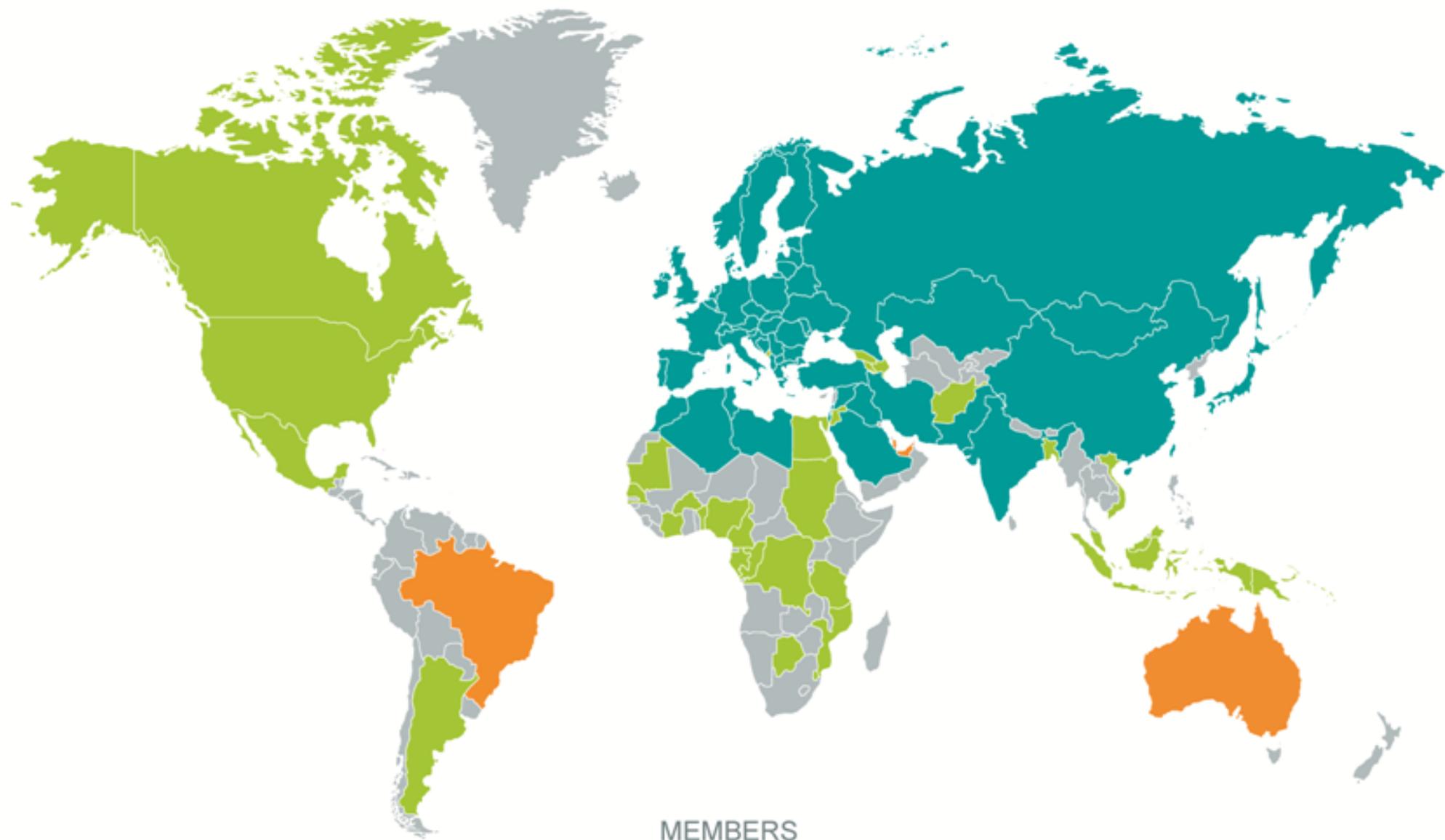
Silk Road Summit, 10 November 2020

Sandra Géhenot, Freight Director

- Presentation of UIC
- The corridor concept
- Volume trends and forecast
- Digitalisation as enabler for future growth
- Traffic development and the impact of the Covid pandemic
- Ongoing UIC action to further support its members in transcontinental corridor development

UIC, a long history at the service of member railways and international railway cooperation





MEMBERS

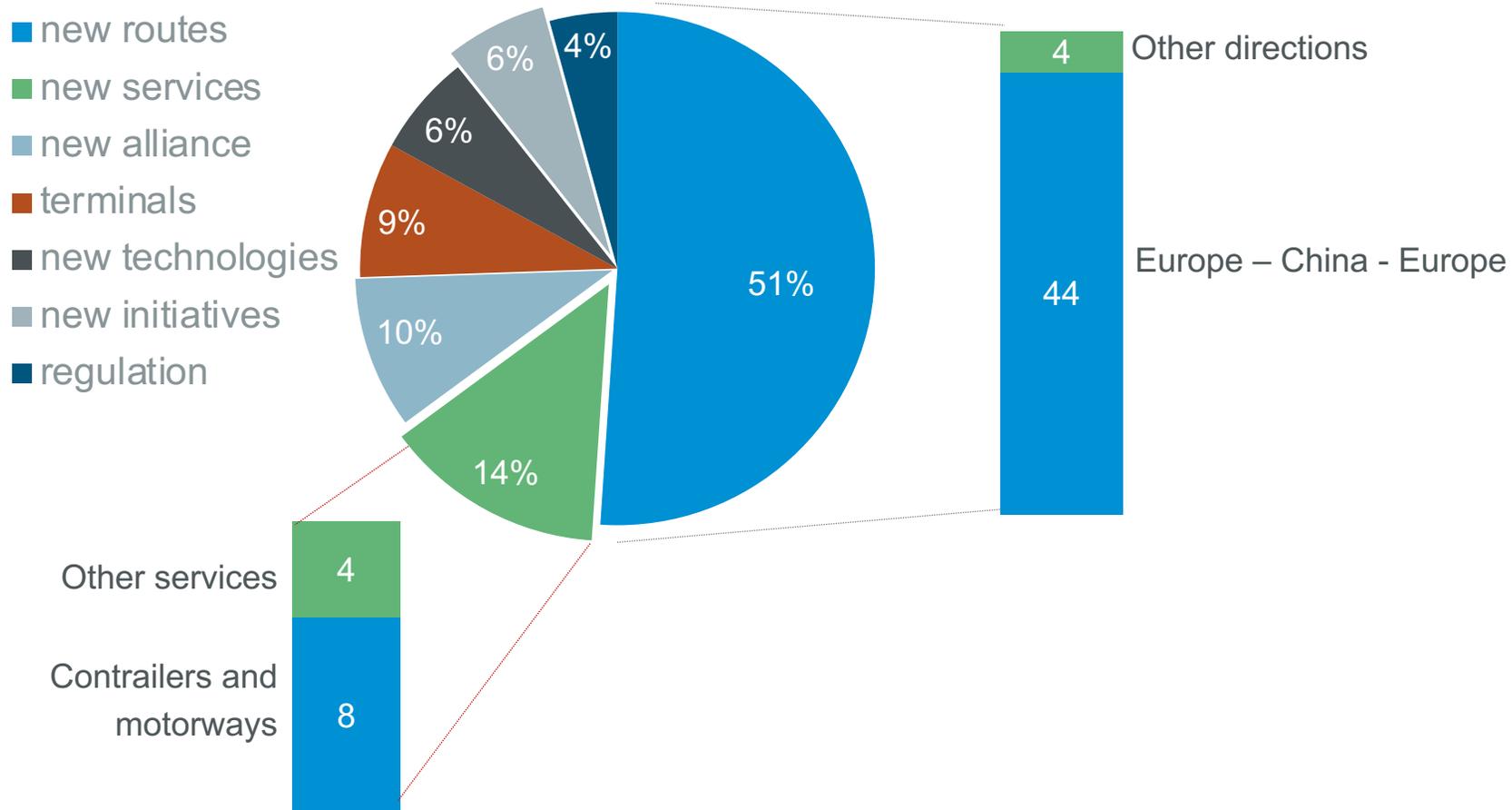
- ACTIVE
- ASSOCIATE
- AFFILIATE

Plus a growing network of research bodies and universities

Freight at UIC



Corridors: a tool in high demand



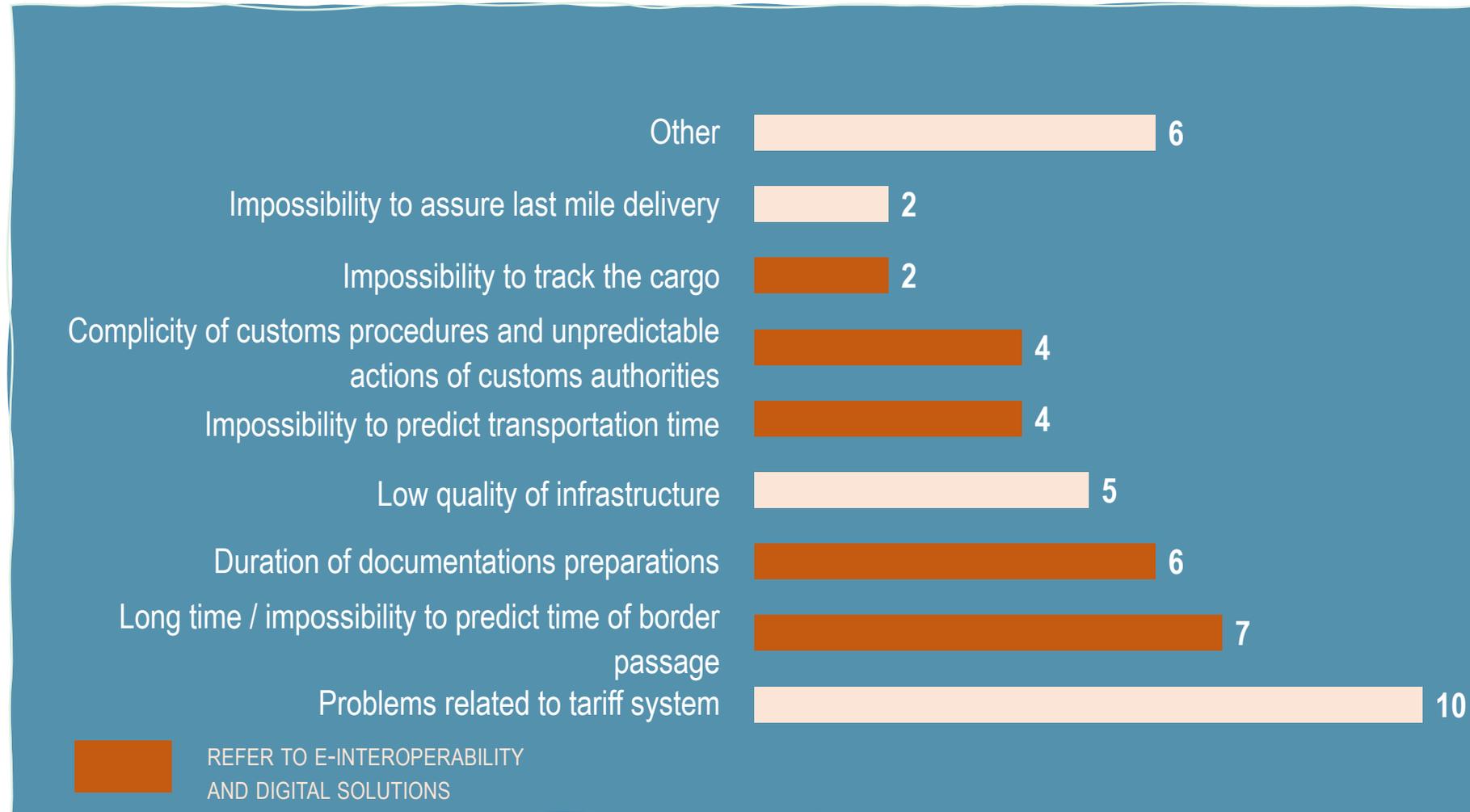
Nb of changes between 2016-2019

- Help automation of processes
- Support competitiveness of rail in modern supply chains
- Foster collaboration of stakeholders and coordination of action
- Creation of a single operating area

Development hurdles

- ✓ Main growth drivers:
 - Reliability
 - Price
 - Transit time

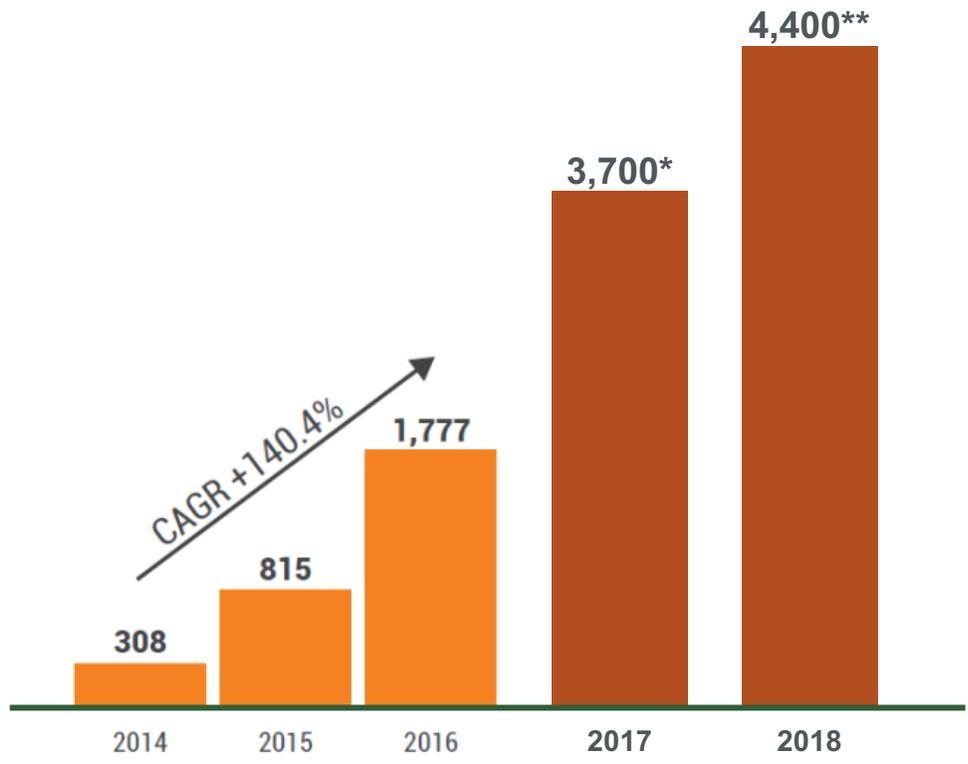
- ✓ Digitalisation as enabler for improvement



*source: uic study realised by IEC 2019

Volume trends

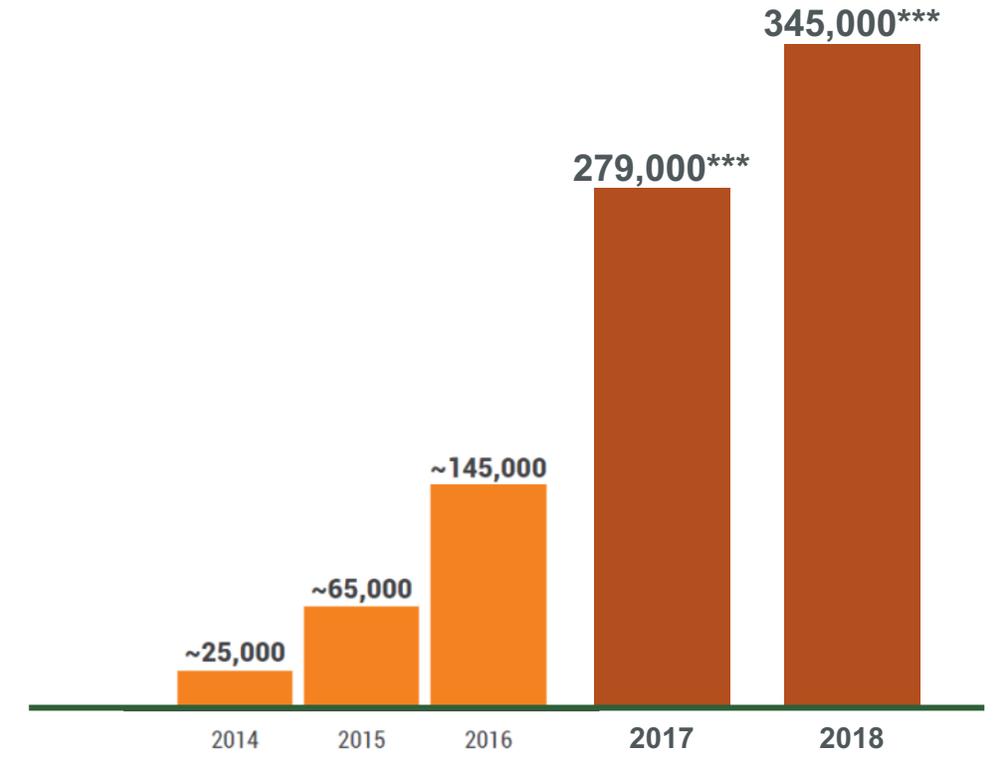
Number of trains



Roland Berger study for UIC, 2016

*Source: CRCT
** IEC evaluation

Volumes of traffic (TEUs)



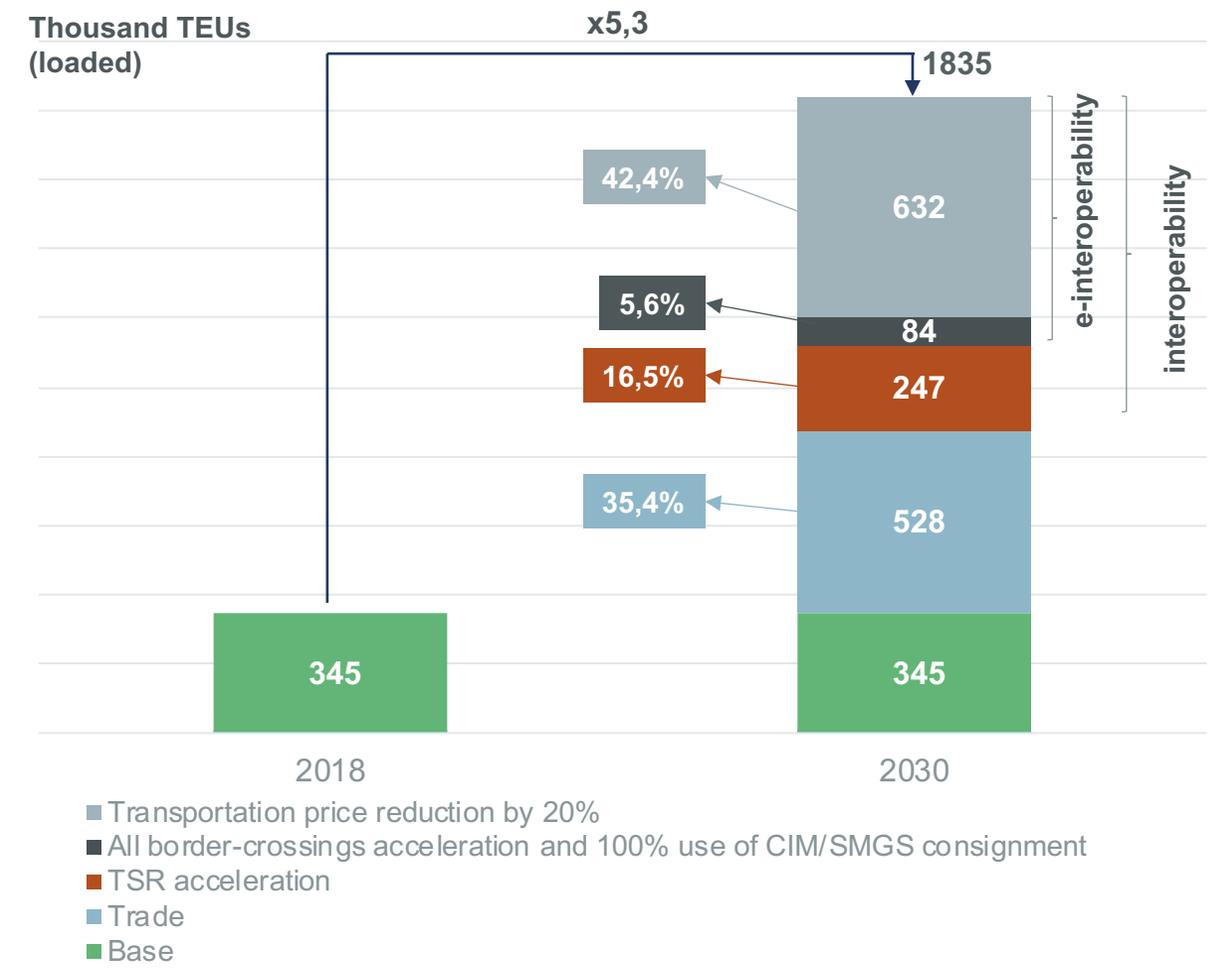
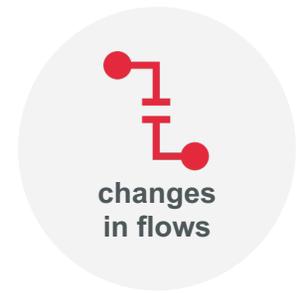
Roland Berger study for UIC, 2016

***Source: Evaluation based on RZD, TITR, Transcontainer fact data

Volume forecast

- baseline economic scenario
- acceleration of railing speed for block-trains from Vladivostok to Krasnoe to 7 days (9,5% per annum till 2024)
- inertial acceleration of railing speed in other countries considered as 1,5% per annum
- acceleration of sum border-crossing, gauge-change and customs formalities time to 3 hrs and sufficient capacities
- 100% use of CIM/SMGS, including e-consignment*
- transportation price reduction along O2O corridor by 20% (for China 50% subsidizing is considered)

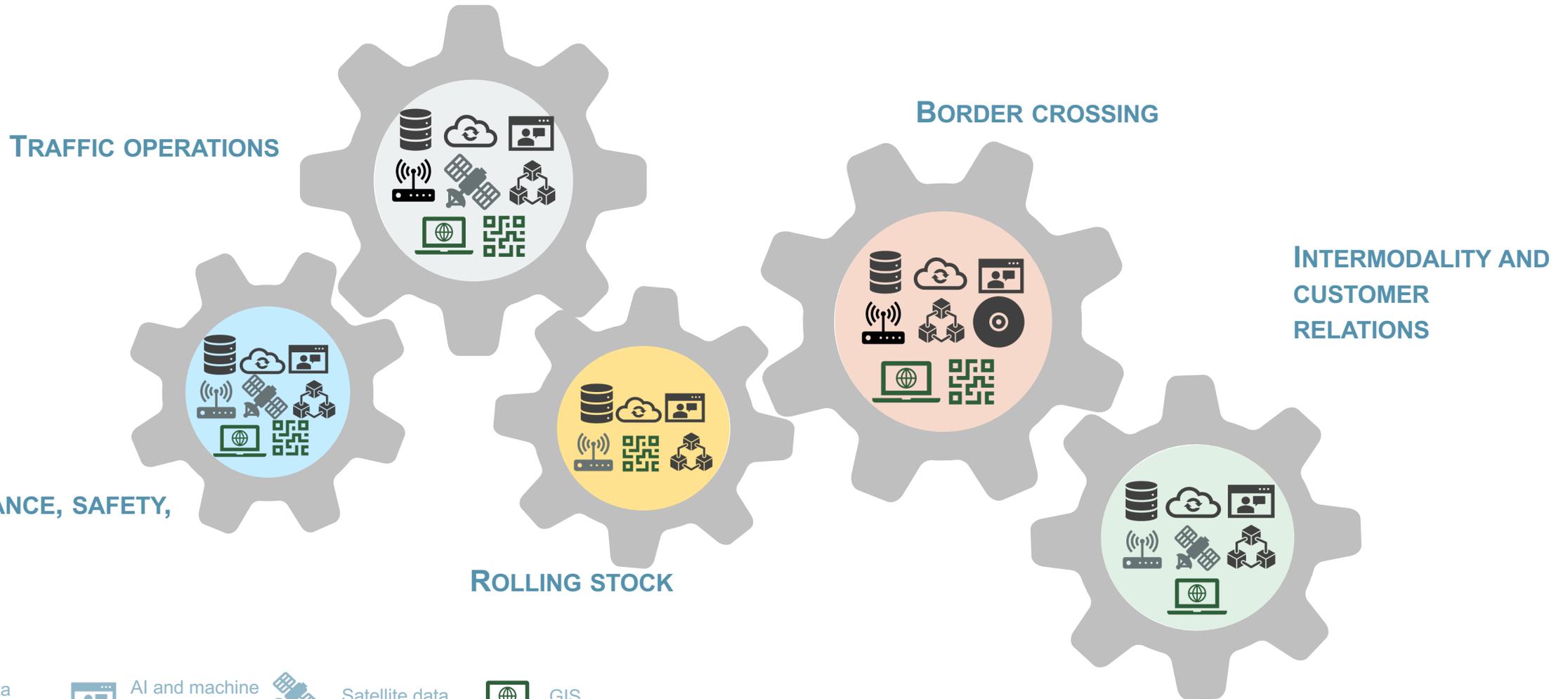
+963
thousand
TEUs



*corresponding to 3% economies according to CIT

*resulting in 3% costs decrease (CIT data)

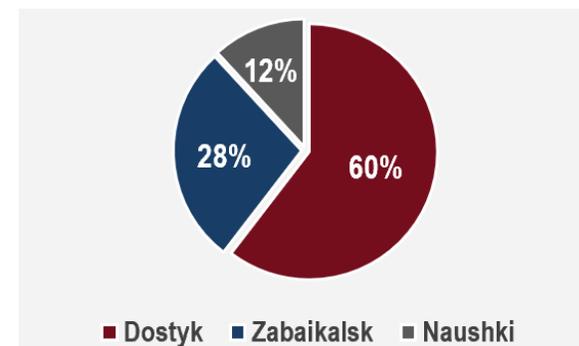
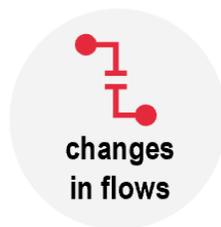
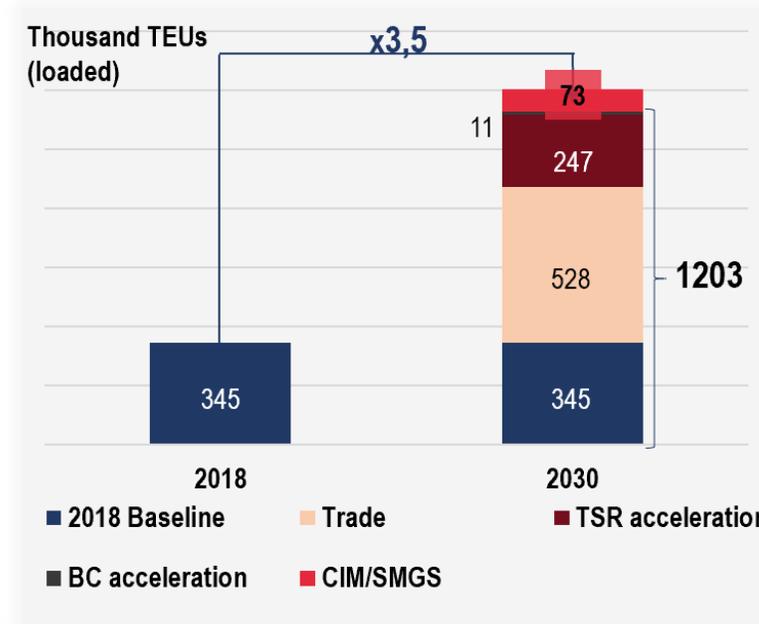
Digitalisation as enabler for modal shift to rail with high benefits for customers and society



- Data integration
- AI and machine learning
- Satellite data
- GIS
- Digital ecosystems
- Smart sensors
- Blockchain
- Transportation modeling

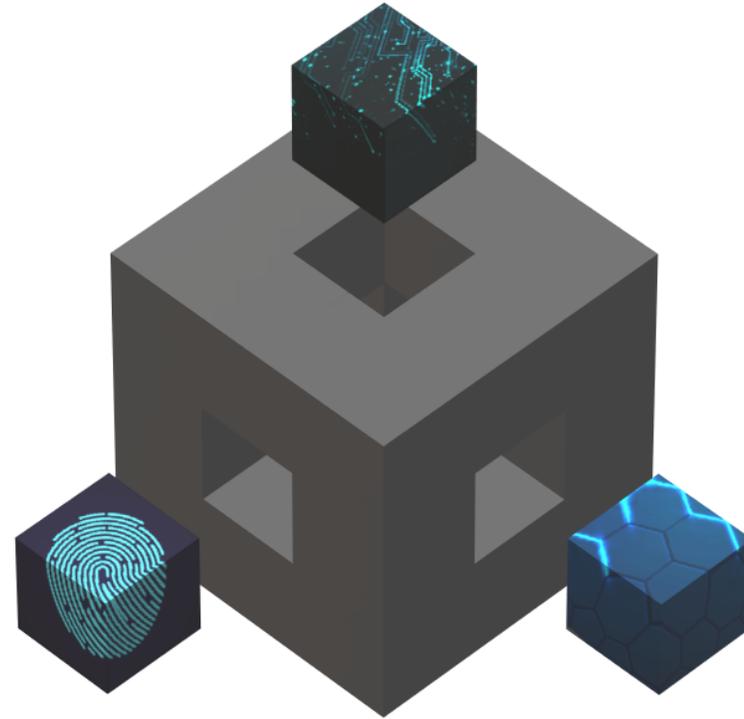
Use case 1: 100% USE OF CIM-SMGS

- baseline economic scenario
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- acceleration of sum border-crossing, gauge-change and customs formalities time to 3 hrs
- 100% use of CIM/SMGS, including e-consignment*



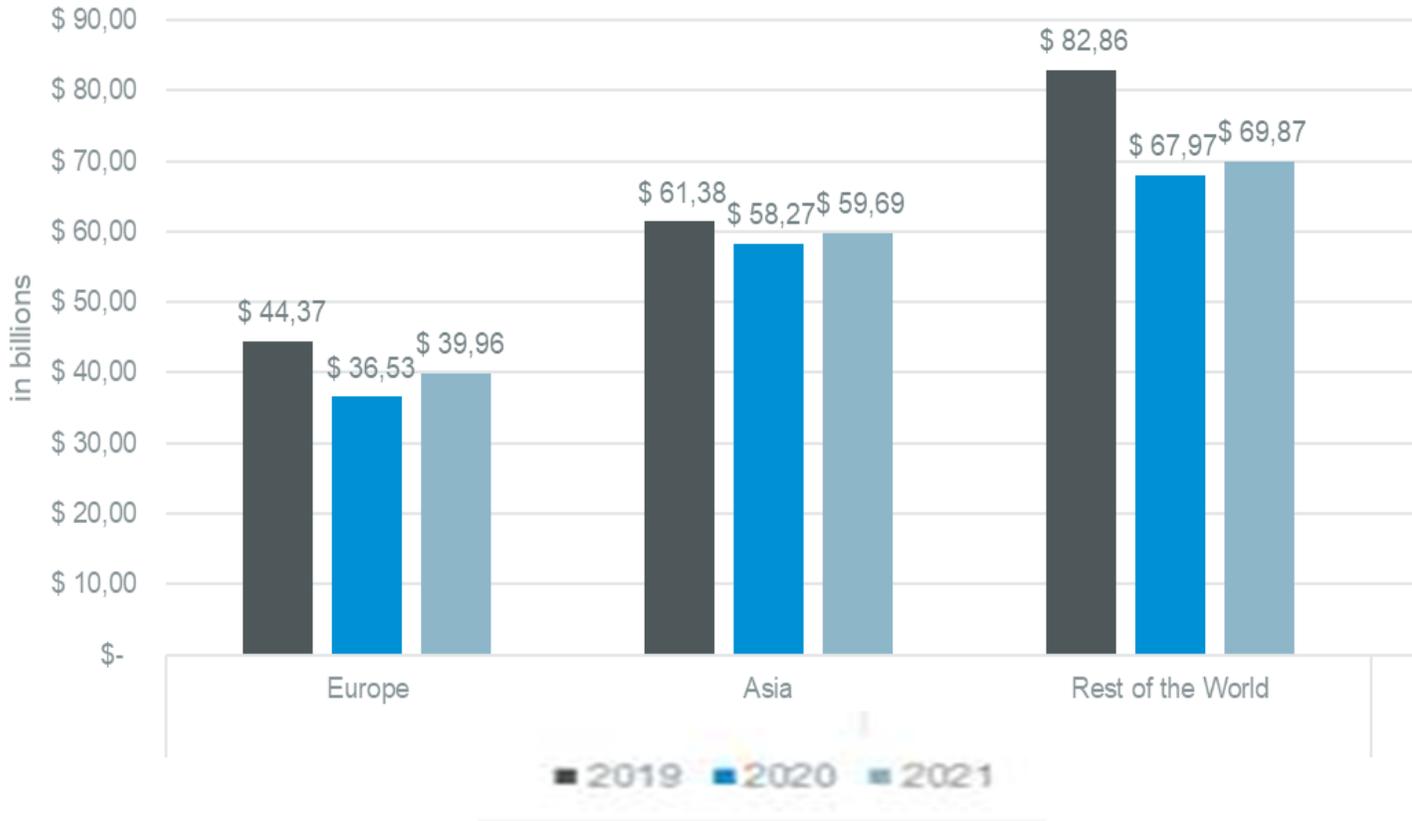
Use case 2: Blockchain for smart business

- Transparency
 - Same level of information to all
- Traceability
 - No information alteration
- Trimming costs *:
 - Time savings due to fewer controls
 - Transit time gains
 - Automation of processes



Development potential in COVID context

Freight



- ✓ Transcontinental trains running during the pandemic and serving new destinations
- ✓ RZD reports strong growth end of Q2
- ✓ Russia proposes subsidies for transit traffic
- ✓ Traffic via Belarus grows by x 1,6 between Q1 and Q3



- ✓ Covid likely to incur a 17% revenue loss in Europe and 5% in Asia in 2020

* source: UIC covid taskforce

UIC action focuses on operational efficiency and on customer-friendly product development

Recommendations for operators and railways

Streamline operations

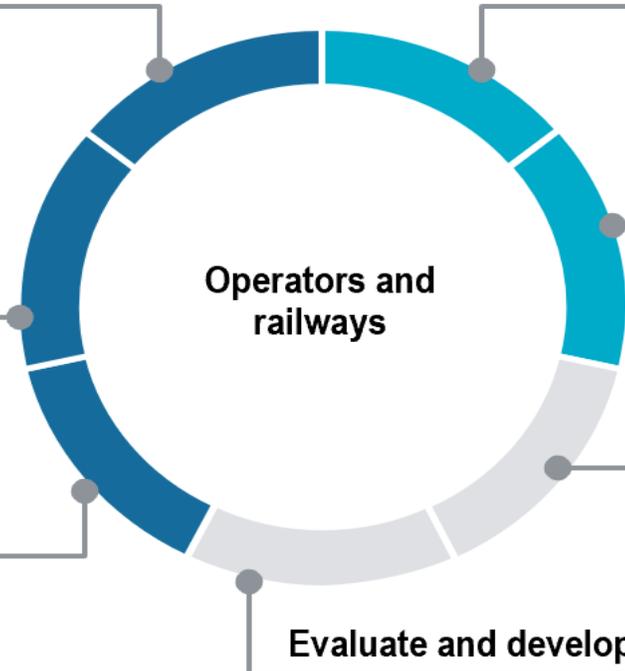
- > Negotiate efficient border/terminal operations
- > Tackle punctuality problems and minimize locomotive/driver changes in Europe
- > Optimize cost structure for sustainability without subsidies

Participate in new opportunities

- > Target and develop products for trends, e.g. e-commerce, temperature-controlled goods

Use new regions as steps to Asia

- > Market transports to/from Central Asia to China as options for stepwise increasing traffic



Improve information/transparency

- > Share information on arrival times
- > Track reliability and use big data tools to optimize operations

Broaden services

- > Increase share of regular trains
- > Develop sets of additional services

Communicate infrastructure needs/client expectations in Europe

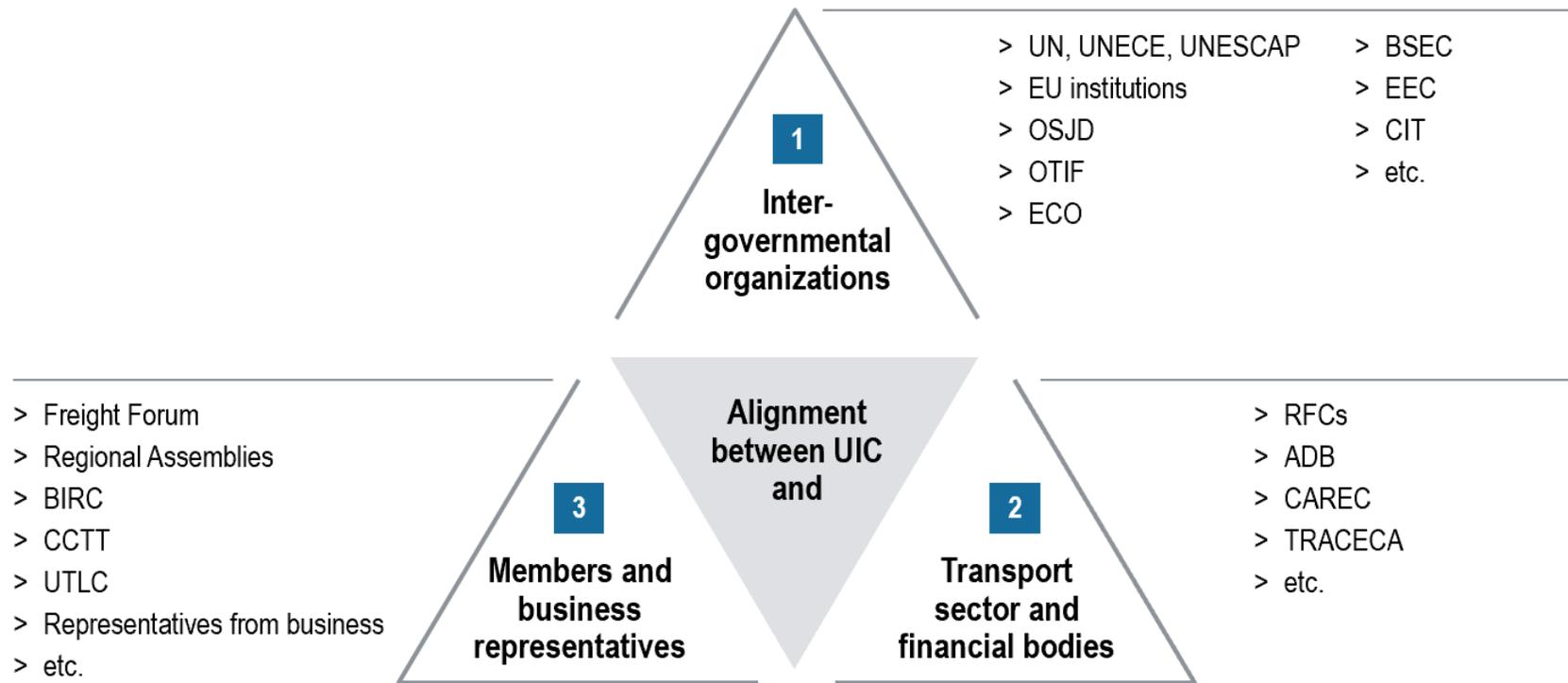
- > Communicate infrastructure needs/client expectations for international traffic
- > Improve market orientation of RFCs

Evaluate and develop Silk Road markets

- > Implement measures to improve service quality on Southern routes
- > Research market potential of South Asian & Middle Eastern economies

Action fields: ■ Operations ■ Customer expectations ■ Regional actions

Strong cooperation and alignment with partners to spread knowledge and positively impact international rail freight



Cooperation has to be tailored to different topics, activities and regions – not all relevant bodies can be named here



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