

**2023 European Silk Road Summit**  
**30/11/2023 Budapest**

# **China-EU Rail Freight in 2023: Driving through Triple Shocks**

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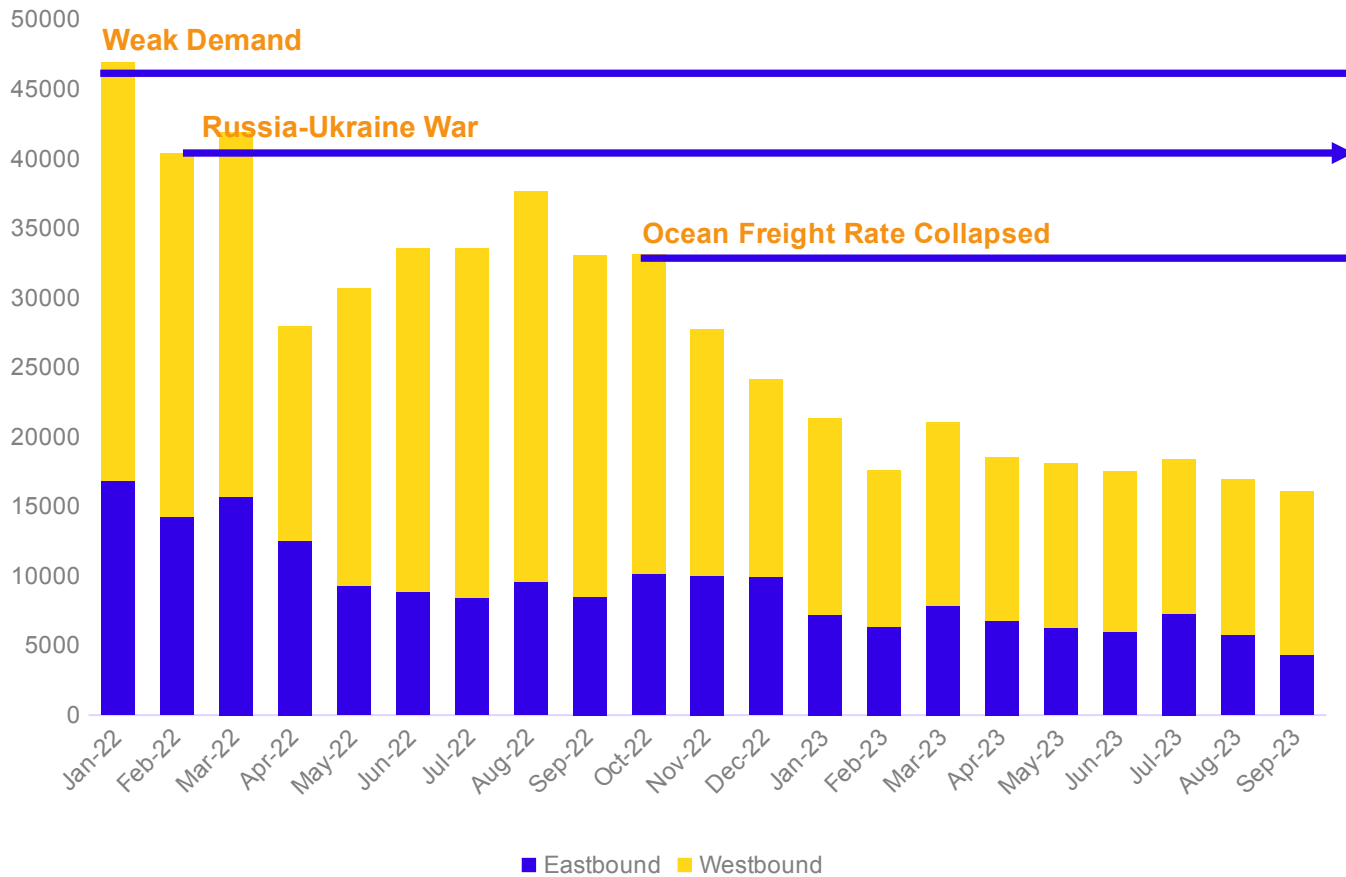
**GEODIS**



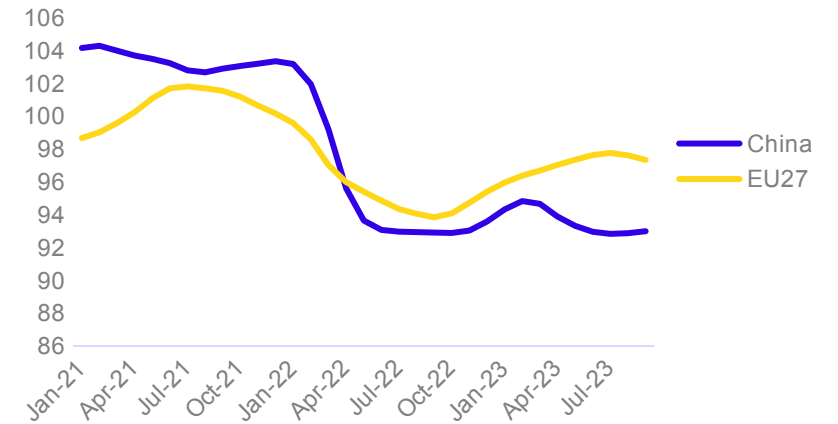
**GEODIS**

# Main Route: Hit by Triple Shocks

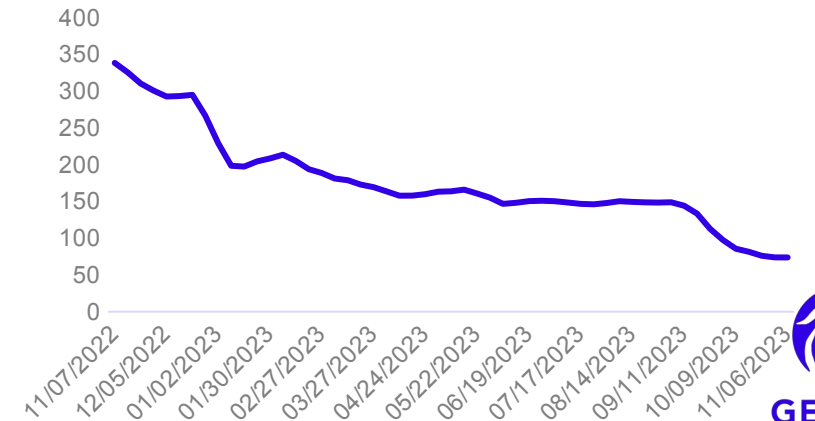
## The China- EU Rail Freight Volume via the Main Route (TEU)



## Weak Consumer Confidence in Both the EU and China



## UPPLY Asia-Europe Ocean Freight Rate Index in Past 12 Months

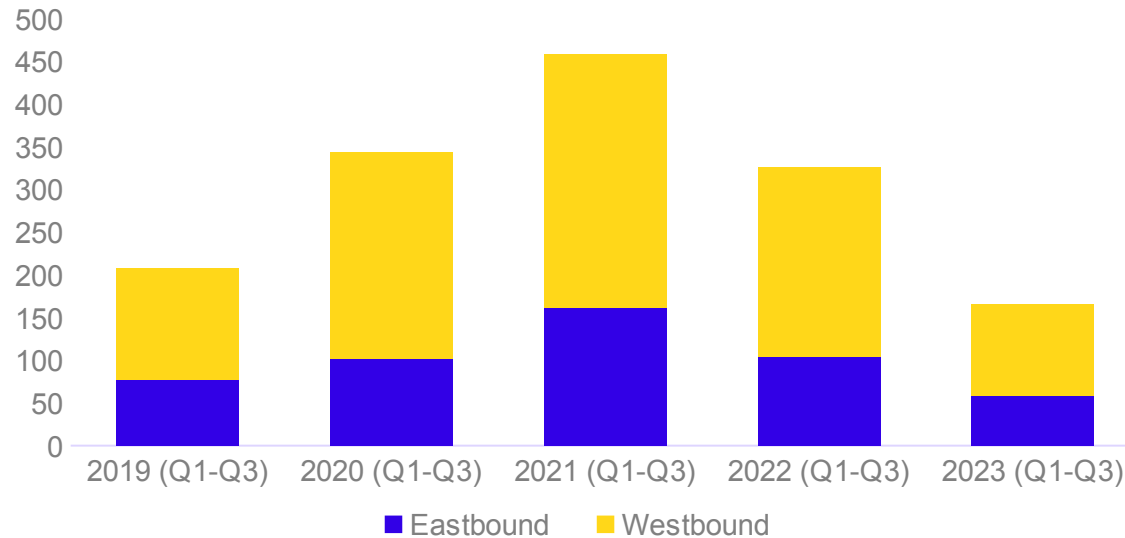


# Main Route: Back to Pre-pandemic Level

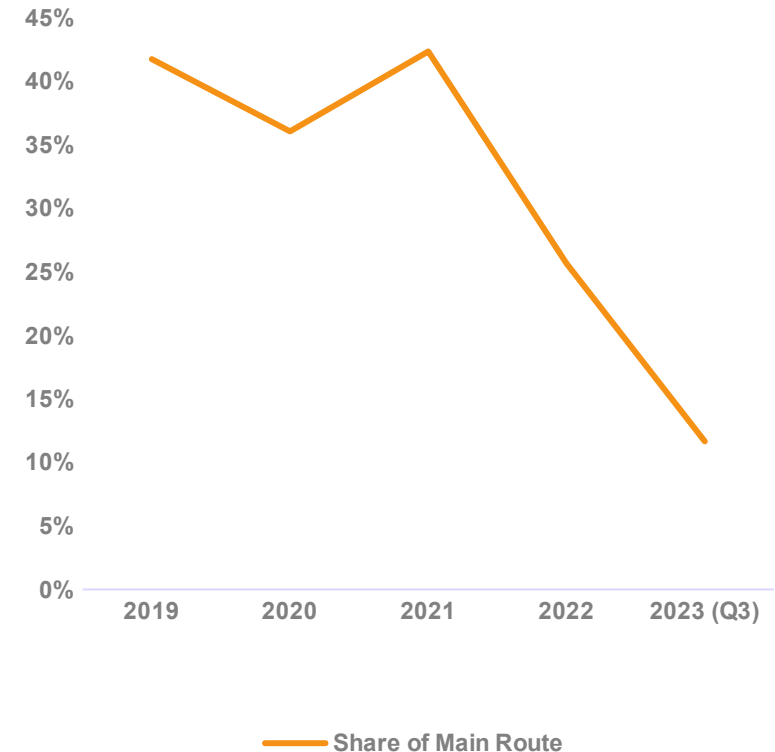
By the 3<sup>rd</sup> quarter of 2023:

- Eastbound volume was down by **44% less**;
- Westbound volume **declined by 51%**

The Volume of China-EU Rail Freight Volume (Thousand TEU) in First Three Quarters (2019-2023)

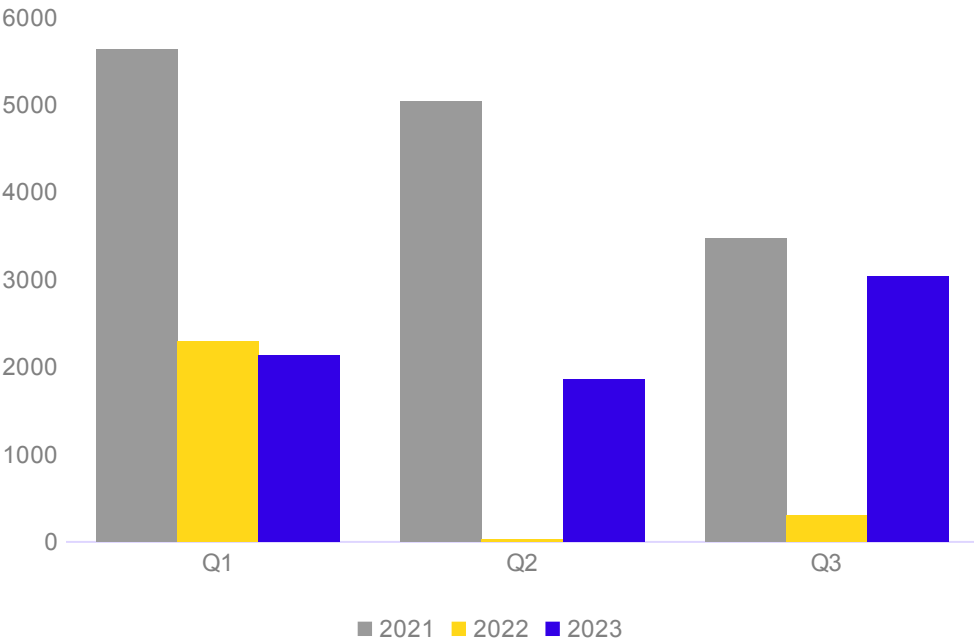


The China-EU Rail Freight Volume's Share in China Express Railway Volume

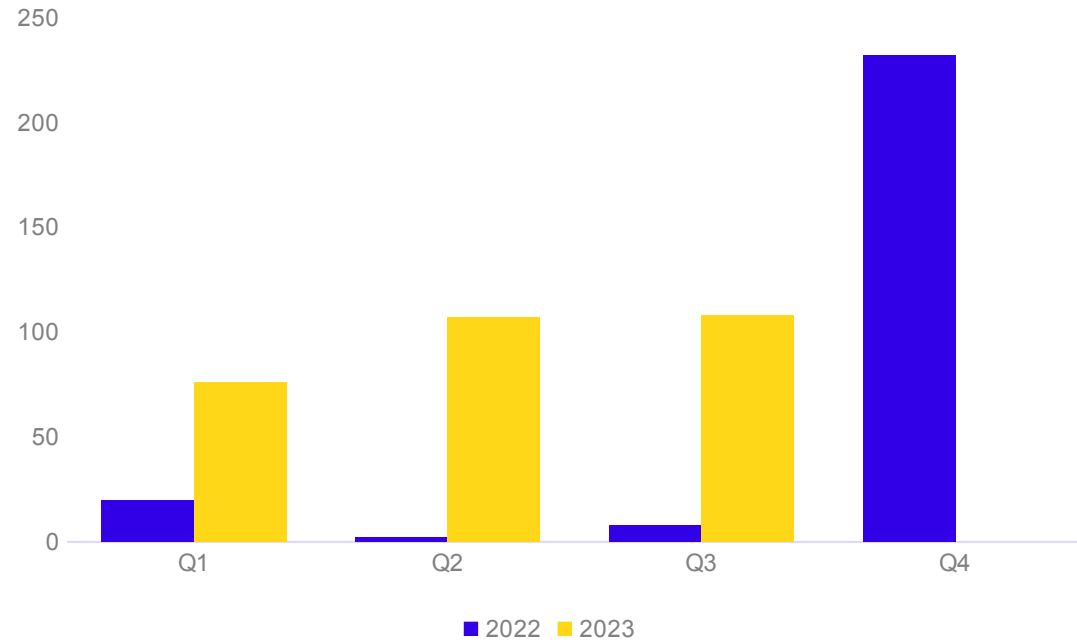


# Exception 1: Vehicle Shipping

Eastbound Shipping Volume of Vehicles (TEU)



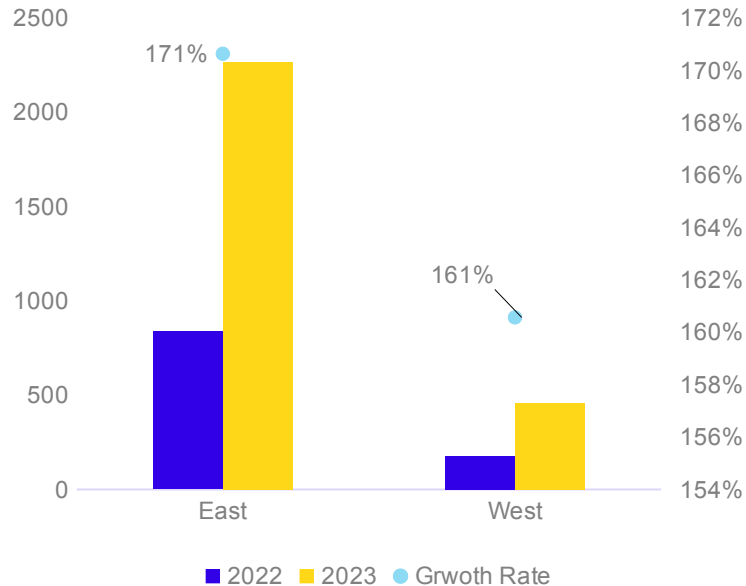
Westbound Shipping Volume of Electric Vehicles (TEU)



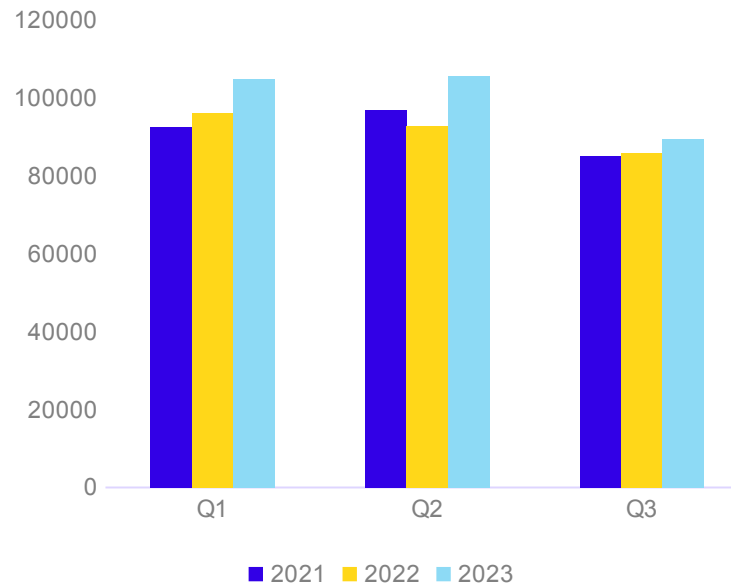
## Exception 2: Cosmetics in Eastbound

The resumed social gathering in post-pandemic and consumption-focused economic recovery (especially **service**) in China have generated demand for **cosmetics and other fashion industry-related products**.

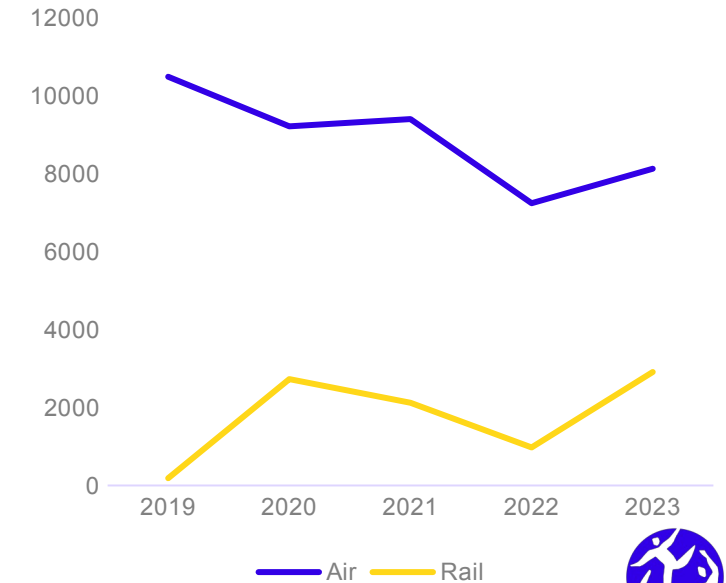
The Shipping Volume of Cosmetics by Rail between China and the EU (TEU)



Quarterly Retail Value of Cosmetics in China (Million RMB)

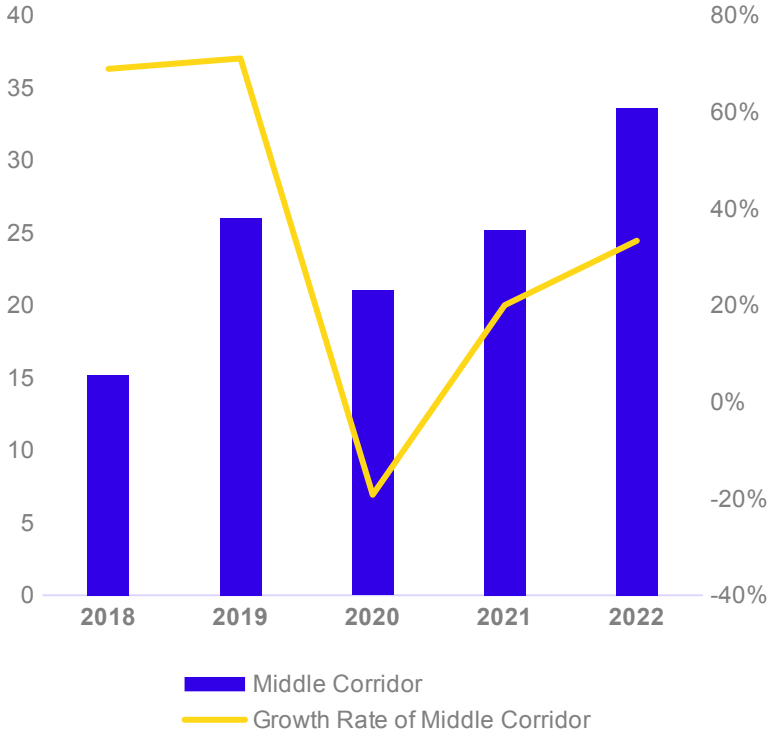


The EU Exports of Cosmetics to China by Air and Rail (Jan.-Aug./2019-2023/Ton)

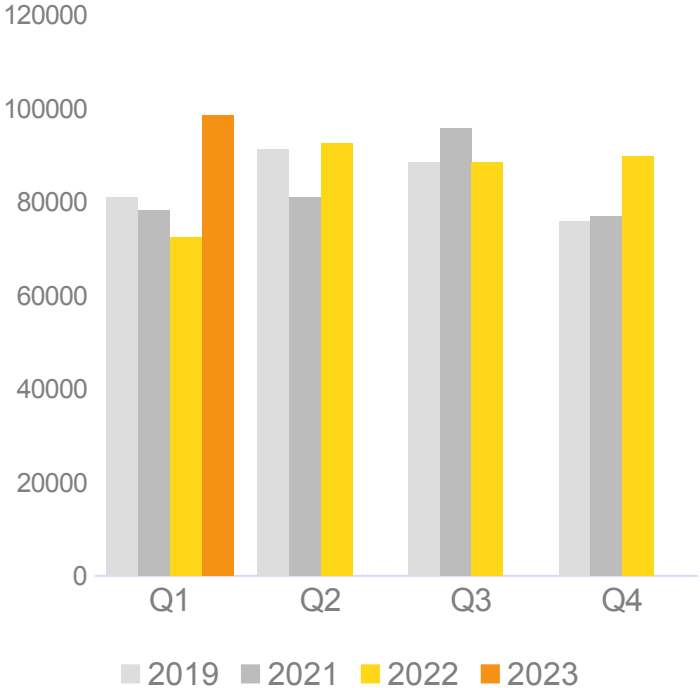


# Middle Corridor: An Animated Development

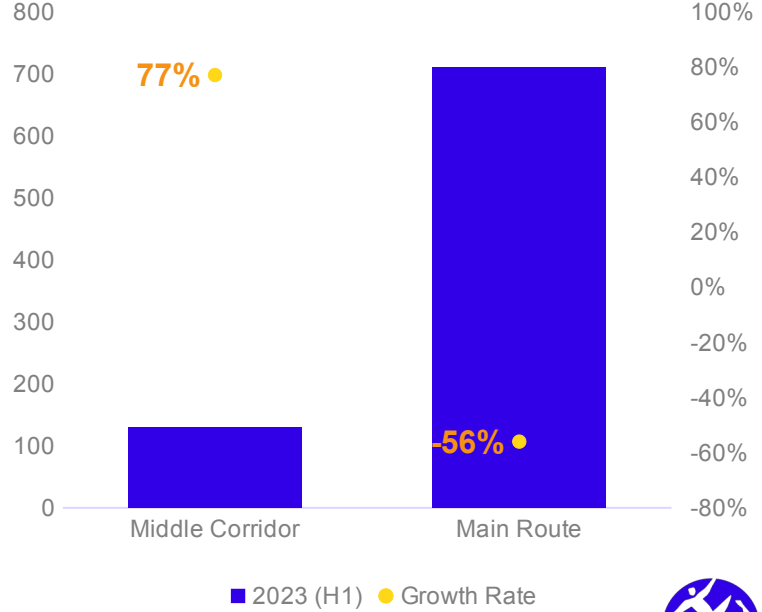
Middle Corridor Shipping Volume (Thousand TEU) and Growth Rate



The Quarterly Throughput of the Port of Constanta, Romania (TEU)



The Volume in Middle Corridor and Main Route in First Semester of 2023 (Thousand Tons)



# What's Next?



# Main Route: Adapting to the New Normal

- **The New Normal**

- Ocean freight rate returning to pre-pandemic level
- The continuity of geopolitical uncertainties

- The prospects of the rail freight market between China and the EU could reflect more of the bilateral trade relations, supply chain, and economic strategies.

- 2023 so far shows the more resilient demand for **products related to service consumption in Eastbound** (Cosmetics, certain food and fashion products).
- Gradually returning to **“just-in-time” inventory strategy**
  - **Baby steps in restocking**



# Middle Corridor: More than China-EU Trade

- **States Interests to Develop the Middle Corridor**
  - Belt and Road Initiative
  - EU Global Gateway
- **Serving for the trade between Central Asia and China/the EU**

