

Ad hoc group on transport logistics problems, EU-Russia Transport Dialogue

Questionnaire

Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem¹:	<p>1. Border crossing problems</p> <p>c. Border procedures and organisation, including joint cooperation</p> <p>The time needed to transport goods from Asia to Europe by sea is approximately 24-27 days. However, congestion problems will add several days to the lead time, which means that the actual transport time door-to-door in many times exceeds 60 days. In comparison, a door-to-door transport by rail will take approximately 24-27 days.</p> <p>Unfortunately, slow and unpredictable customs and goods control procedures in Russia form a bottleneck, which results in the time gain advantage of the land transport alternative being lost. This problem is related to the specific issues concerning Europe – Asia Links (3), the documentation issue (3.e) and the border issues (3.a).</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	The problem has been raised with the Russian and Swedish Authorities and with the European Commission
Suggested further actions/initiatives:	It is important to look into ways of achieving efficient and predictable customs clearance procedures, particularly concerning goods. It is also necessary to harmonise procedures and freight/invoice documentation.

¹ See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem²:	<p>3. Europe – Asia Links</p> <p>a. Border issues specific to this mode including transit procedures</p> <p>Slow and unpredictable customs and goods control procedures in Russia form a bottleneck, thereby causing delays.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	The problem has been raised with the Russian and Swedish Authorities and with the European Commission
Suggested further actions/initiatives:	<p>It is important to look into ways of achieving efficient and predictable customs clearance and goods control procedures. It is also necessary to harmonise procedures and freight/invoice documentation.</p> <p>One way forward could be through education, information and facilitation of communication between concerned parties.</p>

² See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem³:	<p>3. Europe – Asia Links</p> <p>e. Documentation</p> <p>Lack of harmonisation of freight and invoice documentation sometimes seems to add to delays and problems with customs procedures and goods control and other administrative matters regarding transit. The problem is linked to problems 3. c and 1. c. The lack of harmonised documents also has financial implications.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	Contacts with Russian and Swedish Authorities and with the European Commission
Suggested further actions/initiatives:	Try to achieve harmonisation of document requirements for goods transported on the Asia – Europe rail link

³ See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem⁴:	<p>3. Europe- Asia Links</p> <p>b. Organisation</p> <p>Difficulties in obtaining certain and regular access to block trains for the whole link Harbin – respectively the Baltic Sea coast and Cop/ Malaszewicze and vice versa. At issue here are the links Zabaikalsk – Baltic Sea coast and Cop/Malaszewicze and v v.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome.	<p>Requests have been made to the Russian Authorities. The matter has also been raised with the European Commission and Swedish Authorities.</p>
Suggested further actions/initiatives:	<p>Facilitation of procedures for obtaining formal authorisation for block trains on the above routes.</p>

⁴ See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem⁵:	<p>3. Europe- Asia Links</p> <p>f. Other</p> <p>Reliability of lead times is essential for the viability of the rail link as the time gain compared to sea transport, is one of the main advantages of this rail link. Difficulties in obtaining access to block trains and slow and unforeseeable customs and transit procedures as outlined above, makes it difficult to achieve delivery within 24-27 days.</p> <p>This question may be seen as a consequence of the matters raised under 1 c, 3 a, b and e.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	Contacts with Russian and Swedish Authorities and with the European Commission
Suggested further actions/initiatives:	Dependent on the resolution of the questions under 1.c, 3. a, b and e. It constitutes a functional reason to see these problems as a whole.

⁵ See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem⁶:	<p>3. Europe- Asia Links</p> <p>c. Tariff and cost elements</p> <p>The total cost for taking a container from Shanghai to a Baltic Sea port is about \$ 1000 higher than the sea freight rate for the equivalent transport.</p> <p>To this can be added a cost for armed security guards on the train prescribed by law which draws a fee of up to about \$ 295 per container (14 – 24 % of the transport cost). There are a number of other small extra costs which are not part of the tariff.</p> <p>Finally, the tariff structure stipulates the same freight levels for transport from Europe to Asia (where demand is low) as for transport from Asia to Europe (where demand is high), which creates a problem in returning empty containers. This can be solved either by reviewing the freight structure, or by finding technical solutions such as collapsible containers. By sea, the return freight per container is much lower, which gives rail service providers a competitive disadvantage.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	Contacts with Russian and Swedish Authorities and with the European Commission.
Suggested further actions/initiatives:	Continue discussions with a focus on bringing down/eliminating the cost for security guards or include it in the tariff. Avoid extra costs on top of the tariff. See below concerning item 3.d. Find a solution (change the tariff structure – lower return freight levels – or find technical solutions) to bring down costs for return of containers from Europe to Asia. All involved parties

⁶ See attached catalogue.

	must do their best to meet the sea price level.
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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem⁷:	<p>3. Europe – Asia Links</p> <p>d. Security issues</p> <p>According to regulatory provisions, there must be armed security guards on the train, which draws a fee of up to about \$ 295 per container (14 – 24 % of the transport cost). Both for financial reasons (see under 3.c.) and for practical reasons, we question the need for this measure.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome:	Contacts with Russian and Swedish Authorities and with the European Commission.
Suggested further actions/initiatives:	Consideration of the possibility of no longer requiring this security measure or reducing security costs.

⁷ See attached catalogue.

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Country/Delegation:	European Commission, Russian and Swedish Delegations; question emanating from Sweden
Nature of Problem⁸:	<p>4. Training and information issues</p> <p>c. Others</p> <p>The staff of the Russian rail, and customs administrations often have poor foreign language skills which of course causes problems in contacts with foreign transport providers.</p>
Initiatives taken (unilaterally or bilaterally) to address it, including through adoption of best practices, and outcome	
Suggested further actions/initiatives:	<p>We believe we should consider creating a focal point which would facilitate contacts between Russian administrations and the foreign transport industry. If considered useful, a similar focal point could placed at the service of the Russian transport industry, either at the European Commission or in one, or more EU Member states.</p>

⁸ See attached catalogue.