“Silk Road”: new projects and opportunities for revival

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Abstract. In today’s world, China occupies important, if not leading, positions in its region in various industrial sectors, and therefore the question of the possibilities of delivering a very large amount of Chinese products, including ways and means of delivering goods from China to Europe and back, has now become very serious. The last decade, China has actively proclaimed a policy of openness and carries out a huge number of various reforms. Thanks to this, China was able to sign many documents with European countries on cooperation in various fields - economy, trade, science, technology, culture, and in the field of civil aviation, road, rail, and maritime transport. In addition, directly with the EU - general trade agreements. Such cooperation leads to a change in the structure of trade and economic relations, because of which the customs relations of the PRC with members of the Eurasian Economic Cooperation (EAEU) change. The article is devoted to the Chinese project "New Silk Road". The cargo flows of the project “New Silk Road” investigated. It was determined that sea freight is the most profitable way to deliver goods from China to Europe. The transit channel between Europe and Asia is consider as a way to develop an international logistics system in the territories adjacent to Asia and Europe.

1. Introduction

The new paradigm of geostrategic and economic development of the countries of the West and the East, initiated by China, is the Strategy of the Economic Belt of the Silk and Sea Route (hereinafter - the Strategy). The “One Belt - One Way” paradigm defines the strategy of the PRC’s foreign economic policy.

In 2017, the volume of trade between the Russian Federation and China exceeded $ 84 billion (Figure 1). Mutual trade between Russia and the PRC is gaining momentum. So, if in 2016 the growth rate of turnover between partners amounted to 13.2%, in 2017 it was 20.9%. In general, over the past 35 years, the volume of Russian-Chinese trade has increased by about 130 times. The total volume of bilateral trade in the first ten months of 2018 amounted to 77.15 billion dollars. By the end of 2018, a turnover of 100 billion dollars expect to be achieve between Russia and China, and in 2020 - 200 billion dollars.
As the Chinese project “One Belt - One Way” integrates with the Russian strategy of the EEU (Eurasian Economic Union), trade between the two countries annually shows an improvement in trends. Today, the following features are characteristic of trade relations between Russia and China:

- high growth rates of commodity turnover;
- improving the quality of trade from low to normal;
- reorientation of Russian exports from raw materials to a diversified type;
- improvement and expansion of the scale of interaction: the transition from partnership between private actors to cooperation between state-owned enterprises;
- movement towards a bilateral balance sheet on trade and logistics issues [3, 7, 27].

Now China is actively implementing its project “New Silk Road”, and therefore some analysts believe that thanks to this, China will still be able to extend its influence to the European Union at least a little bit, although judging by the direction of the EU’s foreign trade policy that China at this time does not interest Europe as a primary trading partner. And so the strategic partnership between China and the EU is likely to be just a formality on paper for a long time [11, 14].

2. Study methodology

The purpose of the publication is to analyze the scientific literature, regulatory framework and the results of scientific research on the development of Eurasian transport corridors in order to determine the prospects for mutually beneficial cooperation of Russia, Europe and Asia in the transport sector.

China has launched and is actively developing the China-Russia-Europe transport corridor, with favorable prospects for the development of foreign trade. International container trains come from different parts of the country to ensure an efficient logistic component of Eurasian continental trade. To provide an efficient logistic component for Eurasian continental trade, international container trains come from different parts of the country [4].

Thus, in order to ensure the interests of the Russian Federation, when connecting to the Chinese Silk Road projects, primarily related to the territories of Russia, Kazakhstan and Belarus, it is necessary to form not only the financial and institutional infrastructure, but also the legal framework.

3. Assessment and results

At present, the logistics of China and Europe are looking for new transport routes for the delivery of goods from east to west, because the existing capacities of existing routes are either not enough, the
The delivery is very expensive, or a long delivery time is obtain. At present, all types of transport are used - sea, road, rail and even air [2, 17, 28].

The most profitable way to deliver goods today is sea freight. They originate in the Chinese ports of Yiwu and Guangzhou, then go through the Suez Canal to the shores of Greece and Italy, then they are transported all over Europe. There are certain disadvantages in existing routes - long delivery time, sometimes reaching two months and the insecurity of navigation in some regions.

The second method of supplying goods from China to Europe is by road through Kazakhstan, Russia and Belarus. Actively looking for new transport corridors. But, of course, the volume of these deliveries in no way can satisfy China’s ability in terms of the possible supply of products [1, 25].

Very actively, China uses the Trans-Siberian Railway - the longest railway in the world, more than 9000.0 km long and equipped with the latest technology. Compared with maritime transport, Transsib has several advantages, namely: the time spent in transit of cargoes is reduced by more than 2 times, and the number of cargo transshipments is reduced to a minimum, which significantly reduces the risk of damage to the goods. Over the entire existence of this route, China was able to transport various goods through it for almost $3 billion [22].

The main direction in the logistics of cargo delivery from China to Europe is the rail service, it is selected as the foundation in the export sector. With the help of railways, China is going to deliver both goods and increase the export potential of Chinese innovative equipment. Therefore, now, there is a modernization of existing railway lines and new directions for the delivery of goods are being developed [4, 23].

A new direction is also being developed, which can unite China with Kazakhstan, then with Georgia, Turkey and Azerbaijan, and then with the whole of Europe. Planning began in 2013, this path is called "Silk Wind". Last year, the Baku-Tbilisi-Kars (Turkey) railway branch launched, the European Union called it the main element of the transport links connecting the European Union with Turkey, Azerbaijan, Georgia and Central Asia. The time of delivery of goods in comparison with the sea was reduced by 5 times. To implement this project, all participating countries supported the establishment of a consortium for transporting various goods from China to Europe without the participation of Russia. It is along these routes that cargo will be deliver to the northern and eastern parts of Europe through the territory of Ukraine. The organizers believe that from 2020 400 thousand-freight containers will be ship per year.

Another ambitious Chinese project called the “New Silk Road” (“Western Europe - Western China”). Back in 2013, Chinese President Xi Jinping voiced the idea of creating an Economic Belt, and in 2014 Beijing created a special Development Fund with a capital of $40 billion to implement this project. It is assumed that the existing plans will be reconcile by all the parties involved in the construction of the necessary infrastructure and the laying of major highways, as well as the formation of common approaches for the transport linkage of Asia, Europe and Africa. It is one of the largest international ideas of our time, which planned to launch by 2023 on the territory of several states - China, Kazakhstan and Russia. By grandeur and impact on the entire continent, it is rightfully placed on a par with the construction of the Suez Canal, the Euro Tunnel or the Trans-Siberian Railway [12, 21]. In addition, according to statistics, over the past 20 years, Asian trade with European countries has increased six times. At this time, the share of all freight traffic between China and Europe is made by sea through the Suez Canal. The length of this route is about 24 thousand km., and the delivery time for goods is about 50 days. New modern highway will be able to provide maximum safety and reduce the time of transportation up to 10 days. The main experts in the field of transport believe that the Central Asian region will be for several decades as the main transport area for freight between the regions of China and Europe.

The main factors providing the shortest paths for Chinese products to the markets of the European Union countries and back will be through high-quality highway roads, the availability of integrated equipment at filling stations, and the availability of appropriate maintenance during the entire transportation of goods. Lightweight customs control and minimum checks by various services along the routes will be introduced [5, 6]. The most promising from a financial point of view, experts
recognized the project of cargo delivery from Western China to Kazakhstan, then through Russia, Belarus to Poland, and then to France and Germany. This path will reduce the travel time by more than 3 times.

The volume of trade between China and Russia in 2018 reached $100 billion, and by the end of 2019, according to expert estimates, will exceed $110 billion. In addition, according to the requirements of the Russian Government, the volume of container traffic through the Russian Railways network should be increased by 4 times, and in the future, Russia should become one of the world leaders in container transit between Asia and Europe.

With the deepening of the Chinese initiative “One Belt - One Way” and the Russian strategy of the EAEU, trade between countries shows positive trends every year and is characterized by rapid trade volumes and improved quality of trade, improved interaction from cooperation between private sellers to cooperation between state-owned enterprises, and the reorientation of Russian exports from raw materials to diversified, as well as moving towards a balance between China and Russia on logistics issues and trade.

4. Transit channel between Europe and Asia. JSC "Russian Railways" - the most important link
Taking into account the favorable prospects for the development of foreign trade, China launches and develops international container trains on the China-Russia-Europe route from various parts of the country to ensure an efficient logistic component. The number of container trains from 2011 to the end of August 2018 along the China-Europe route is 10 thousand. It should be noted that the rapid growth of the container flow has been observed in the last 2 years, because the transit channel of rail container traffic passing through Eurasia is now operating full force [8].

Currently, participants in this large-scale project are working to improve the quality of service, which, in turn, will allow switching cargo traffic from traditional sea routes to land routes. The result of these measures will increase the attractiveness of rail container traffic and the active development of trade between Russia, China and other countries will occur.

Currently, Yingkou Port is working on the creation of a transport and logistics route for cargo transportation from China to Russia and European countries in cooperation with JSC Russian Railways. Under the leadership of the largest company in the transport industry of Russia, there are more than 90 thousand km of railway tracks running through 11 time zones, as well as hundreds of kilometers of access roads to industrial enterprises. The most important and irreplaceable role of the global logistics channel between Russia, Europe and China is played by the Trans-Siberian Railway, which is 9288 km long [9, 25].

According to the Strategy for the development of railway transport in Russia until 2030, Russian Railways plans to actively develop and improve the system of international logistics in the territories adjacent to Asia and Europe, to increase the level of logistics services and expand its operations in the Eurasian region.

5. TEU Port Yingkou Strategy. A joint project
Yingkou Port paved the sea between south and north of China using a dense network of shipping container lines. This port is the nearest port connecting China with the Russian Trans-Siberian Railway. Since Yingkou port has advantages in its territorial location, it implements the TEU strategy and actively develops container transportation programs to Russia and European countries. For many years, Yingkou Port has been ranked first in the number of containers exported along the eastern branch of the “One Belt - One Let” project.

Now, Yingkou port includes five port zones: Baizuan, Panjin Islands, Xianren, Suizhun and Yingkou in the Bohai Bay. The port is the most important hub of Northeast China, the Shenyang economic zone and the zone around the Bohai Bay. The port's carrying capacity in 2017 amounted to 370 million tons, the volume of multimodal container traffic (by sea and rail) was 700 thousand TEU, and the volume of container traffic was 6.3 million TEU.
The group “Inkou Port” Limited Liability Company and JSC “Russian Railways” are implementing a joint project of the Bely Rast Terminal and Logistics Center in Moscow, guided by similar international development strategies. This project should help the parties to combine their managerial, marketing, information and technological advantages and provide customers with quality rail container cargo services.

The area of the terminal and logistics center "White Rast" is 1.79 million square meters.

Thus, it is planned to build six railway fronts with a length of 1,050 meters each, 17 warehouses, additional infrastructure facilities, etc. The terminal "Bely Rast" will be the largest international multifunctional logistics center in Russia, providing transit and consolidation services, collection, storage and distribution of customs storage and customs clearance in a single window [24].

The TLC will be built in 3 stages. In early 2019, it is planned to operate three railway fronts, the share of warehouses and other terminal facilities in the first phase. In 2022, the construction of the center will be complete, and the annual operating capacity will be 725 thousand TEU.

The existence of a terminal and logistics center in Moscow, as the economic center of Russia, intersects with the location of the Yingkou port itself, a hub port that provides freight transportation between south and north of China. Moscow and Yingkou are connected by rail, therefore, "White Rast" will be the point where the paths from all over Russia and Europe intersect and the routes from China and Northeast Asia. Thus, the availability of a developed infrastructure will be the key to a stable and high-quality container cargo service along the Europe-China route, as well as a catalyst for trade between Russia and the Middle Kingdom.

6. Key benefits
TLC "Bely Rast" includes a number of significant advantages. First, it is a key hub in the railway corridor connecting Asia and Europe, thanks to its location. It adjoins the Moscow Region and Moscow - regions with a developed economy and a large population density of people. Near it, there is a sorting railway station, the Moscow ring road and the federal highway A107, as well as an extensive railway network [26, 29].

It can be noted that the plans for adjusting the transport scheme of Moscow, the transformation of the cargo yards of Russian Railways and the modernization in terms of the political advantages of the project are in line with the plans. In addition, the terminal and logistics center is a joint project of large state-owned enterprises in China and Russia, it enjoys primarily political support at the highest state level.

The functional advantages of this TLC include: railway fronts with a length of 1050 meters, providing the ability to handle and maintain full trains; a combination of a piggyback front from a railway for unloading and loading; the presence of customs posts, veterinary and phytosanitary control, providing high efficiency and convenience of work; innovative technologies, standards of construction and maintenance in a single window; modern opportunities of informatization, maximum interaction with the port of Yingkou, Russian Railways and other market participants both domestically and abroad; warehouses for storage of goods with special and standard temperature regimes, temporary storage warehouses [15, 24, 30].

7. Development vector of the White Rust TLC
The significance of the White Rust TLC can be viewed at several levels. Therefore, at the state level, this is a landmark project of combining the development strategies of Russia and China. At the level of cooperation between the two partners, there is a basic project for the further expansion of partnerships between Russian Railways and Inkou Port [13, 16]. From an international point of view, the project can become the most important intermediate Russian base for storing and delivering goods from cross-border e-commerce, a dry port in Moscow for major international shipping companies, a central object of the dry port + international industrial cluster model to attract investment and stimulate the local economy of Moscow areas [18]. Finally, this project, in which Chinese capital participates, is a hub on
the Chinese-Russian (European) multimodal container transport route, the Chinese-Russian (European) logistics and trading platform, a window to Moscow for various free trade zones.

8. Conclusions

The implementation of the Transport Strategy should allow Russia to become a full participant in the international transport system, to join the cargo transit chain. It is important not to limit the laying of the northern route on the Russian territory to the construction of the logistics highway of the 21st century. It should contribute to the accelerated formation of the national sector of the global support system for a new technological order. The already existing network of the SEZ (special economic zones) in the country, and the TPA (territories of advanced socio-economic development) that have recently been actively formed should also support the network.

The network of SEZs scattered throughout the country, created within the framework of the federal program under the control of the Ministry of Economic Development, has about 30 territories with special customs, tax and administrative status, which, according to their functionality, are divided into industrial-production, technology-innovative, port and tourist-recreational. The last group of the SEZ accounts for up to half of the total number, and no more than a third of all actually operating ones.

One of the problems of the effectiveness of the economic partnership between Russia and China is expensive transportation, which is unprofitable for both countries. In turn, the EAEU is a real prospect for organizing cheaper transportation and a more convenient transit procedure. In the Far East, we have excess generating power capacities. Today, the Yamal LNG project is being invested at the expense of the Silk Road Fund. In the future, it is already planned to create other projects. Within the framework of the Strategy, European countries are considering joint projects on the development of transport infrastructure.

So, the basis of the Chinese vision of the future infrastructure of Eurasia was the project “New Silk Road”. In different historical periods, its route has been changed several times, which causes additional uncertainty in the implementation of this project. The international transport project of the SREB consists of two subprojects - the Northern and Southern Corridors. The northern corridor crosses the territory of Russia, and it is this route that will be most developed for transit traffic [10, 11]. The southern corridor, which includes ferries of the Caspian and Black Seas, is another vector of the “New Silk Road”.

The southern corridor has a number of drawbacks: barriers at the borders, weak railways, as well as numerous customs checkpoints. But it is actively developing and in the near future it can become a real competitor for other transport routes. Also, the Chinese SREB initiative does not yet have a specific detailed implementation plan, which can be considered both a disadvantage and an advantage.

Due to the lack of a specific strategy for implementing the project, the direction, timing, stages, and pace of its implementation are not clear. Political and economic processes in Central Asia and neighboring regions are changing dynamically. If you delay with the detail of the initiative, its relevance and importance may decrease [19].

It’s too early to talk about the transport and infrastructure gusts of China. Almost all logistics companies are talking about difficulties in the EU when filling containers from Europe with cargo. A significant factor is the composition of European goods that are delivered to the Middle Kingdom [19, 20]. In the EU, mass use items are easily delivered by rail, but it’s not so easy to return. For example, the delivery of EU products from the category of heavy machinery by rail is prohibit. Therefore, experts say that the delivery of cargo from China to the EU and back will be unprofitable.

About road transport, the commissioning of large sections of the Europe-Western China highway across the territory of the Russian Federation is constantly postponed and no one can give exact dates today. Naturally, this project is beneficial for everyone, someone less, and someone more, but its final implementation is postpone for an unknown time.

Well, by itself, the notorious geopolitics, which often shifts priorities often dramatically, influences all large-scale economic plans. In addition, the Middle Eastern restless regions naturally affect the implementation of some infrastructure projects in this direction.
Today, there are calls from some EU politicians. They say that instead of forming a union in Europe, it would be much more useful to organize a Eurasian economic community that could unite European countries, China, Russia and Central Asia.

Currently, the Silk Road is a mass of bilateral infrastructure, information and trade transactions between the respective countries and regional organizations. The creation of the New Silk Road will not only provide an opportunity to make Central Asia a convenient corridor connecting the Asia-Pacific region and Europe, but also expand the ties of the countries of Central Asia with the outside world.

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