

ITC Ministerial Meeting

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My role is to give you a concise summary of the results of the Europe-Asia Transport Linkages project, more precisely its phase II results and the current status of the work towards Unified Railway Law. Both projects are far more complex than to treat them on their merits in such a short time. Nonetheless allow me first to put them into the broader context.

Over the next two decades world economic growth is expected to be trade driven. ... and trade requires efficient transport infrastructure and services. Globally, surface transport is expected to increase by an average annual rate of 2.3 % and double in the next 30 years. To keep pace with economic growth, 21 trillion USD, around one third of the total infrastructure investments is expected to go to roads and railways alone at a global level through 2030 – according to a McKinsey study ...

With the already high public debts and the historically low level of public spending on transport, it is hard to imagine that the transport sector can meet the demand of the economies. Thus, transport is likely to impede future economic growth, and not to meet the mobility demand of the growing population even despite its extensive growth path, which on the other hand, will be serious sustainability concern. To address these challenges major productivity improvements will be warranted. They will reduce investment needs, which – in return - will become more viable particularly if planning is carried out with strict project prioritisation where the focus is on missing links and bottlenecks, and if soft measures, such as border crossing facilitation are taken seriously. Preserving the already available assets and making the most out of them is fundamental in this respect. Countries, which follow this path will likely achieve that their transport sector contributes to their wealth creation instead of limiting and impeding their economic growth.

Both projects on the agenda today serve these goals of prosperous nations.

The EATL, phase II project has focused on investment project prioritization according to a methodology that has been used also in the Trans-European motorway and Trans-European railway (TEM and TER) projects. Among the tangible results you can find

- first of all, the multi-country investment plan that includes 188 high priority projects with a cost of 78 billion USD.

- Furthermore, 9 rail and 9 road routes between Europe and Asia as well as 17 water transport links, several inland and maritime ports. All these are like new versions of the “old silk road”. These, in total 18 routes, will stretch eastward from Central and Eastern Europe all the way to Russian ports on East Sea, Chinese ports on Eastern China Sea, and southward toward Iran and Pakistan and their ports in the Persian Gulf and Indian Ocean. The routes

will criss-cross the land mass between Europe and Asia thus connecting regions and countries that have so far suffered from lack of access to seaports and good transport connections to their neighbours.

- In addition, The Geographic Information System (GIS) data base is an innovative feature in the project that you can further develop in your national plans.

There are several other concrete achievements of the past 3 year EATL cooperation, but I will mention only one, and maybe my favorite. The comparison of maritime and land transport has challenged conventional wisdom that maritime transport is *per se* more competitive than land transport. A door-to-door approach however, showed that railway transport between Europe and Asia can be a viable alternative to maritime transport both in terms of time and cost. How? You will see it when you read the EATL Phase II report, launched during this Meeting.

Speaking about **railways**, international operations are currently disadvantaged by the lack of one harmonized or rather unified legal regime. In international railway transport, unlike other modes of transport, we still have today different legal systems, for example, COTIF/CIM and SMGS in the UNECE region. In the Euro-Asian context, there are also different national systems. Countries which must operate with different rail legal regimes suffer from the same operational inefficiencies as landlocked countries, despite having access to sea ports. For landlocked countries, the operational inefficiencies become even higher when they have to operate with two or more different rail legal regimes. Unified Railway Law could eliminate these inefficiencies by saving unnecessary additional costs and time, and by increasing transparency, reliability and predictability.

The Unified Railway Law (URL) project will provide a level playing field for long-distance railway transport with that of other modes of transport. If completed, it will allow rail traffic from the Atlantic to the Pacific under a single transport contract, with a single consignment note and under a single liability system. Railway companies are looking forward to such a break-through and have wholeheartedly supported the work of UNECE during the past years, in close cooperation with legal experts from OSJD, OTIF and CIT.

The unification of railway law could be essential for the economic progress of countries, particularly with regard to international trade and seamless railway transport. This is especially the case between Europe and Asia, where trade continues to grow exponentially, while seaports on both continents are approaching saturation.

To achieve Unified Railway Law and to make long-distance Euro-Asian rail transport competitive, your political support, commitment and perseverance is required. We are not yet there, however today we will be making a first, but important step in this direction.