

# UTLC ERA & ERAI WEB-PORTAL

**UTLC**

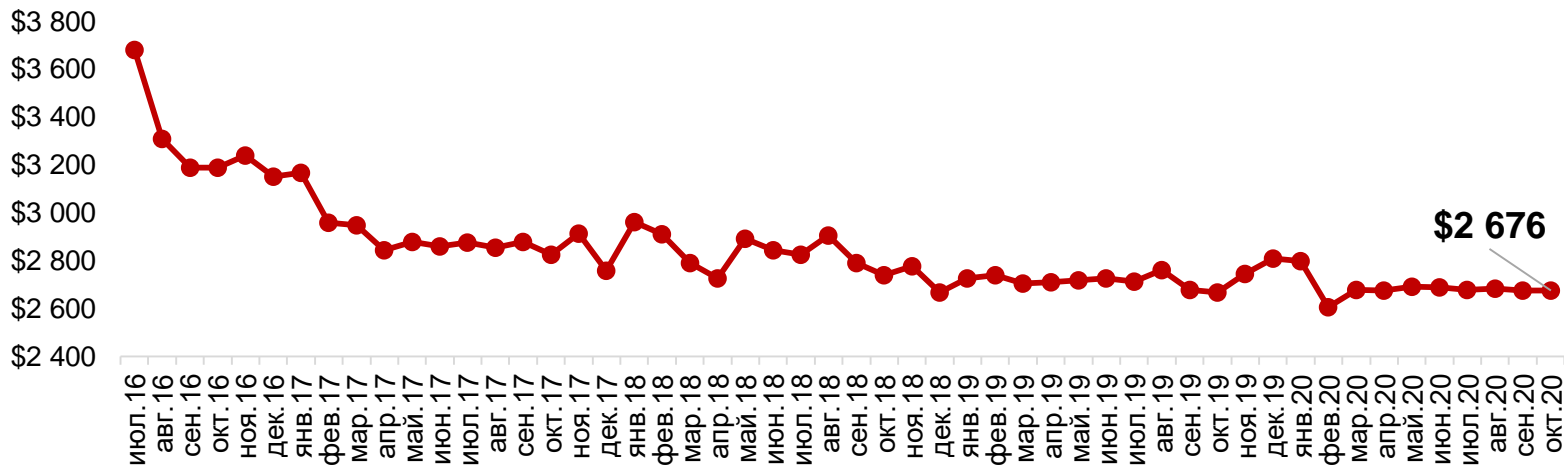
Eurasian  
Rail Alliance

# THE EURASIAN RAIL ALLIANCE INDEX

**ERA I** – the Eurasian Rail Alliance Index, is a composite index of the cost of transit for container shipments in the Eurasian rail space between China and the EU. Measure unit is \$/FEU.

## ERA I

Eurasian Rail Alliance Index



**ERA I value is contingent upon:**



Rates charged by Russian Railways, Kazakhstan Railways and Belorussian Railways



Cost of using fitting platforms



Cost of terminal services



Speed and time in transit



Infrastructure load status

# INDEX1520.COM – WEB PORTAL DEDICATED TO THE ERAI

**index1520.com** – is a web portal dedicated to the ERAI aimed at increasing attractiveness of railway container transit and fostering communication between all the actors involved.

At **index1520.com** you could find:

 ERAI values and everything related to the index

 Latest industry news

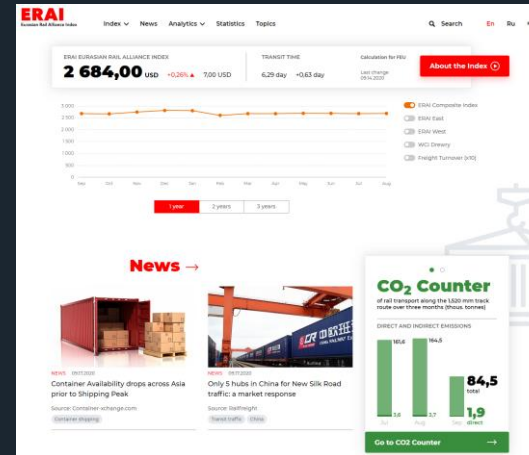
 In-depth analytics

 Statistics on Eurasian railway container trade

 Freight rate calculator and CO2 counter

Available in RU  EN  CN 

<https://index1520.com/en/>



### Cost calculator

Compare the cost of transporting your consignment from China to Europe / from Europe to China by sea and rail

Fill in the data for the calculation

The cost of cargo per 1 kg: 50.0\$  
Number of containers: Spic  
Annual financing rate: 3.0%

	Deep sea	Railway
Transit time, days	30	7
Cost of financing during transportation	1 972,60 \$	458,30 \$
Indicative cost of transportation China — Europe (ERAI West)	2 179,00 \$	2 777,00 \$
<b>Total costs China — Europe</b>	<b>20 758,01 \$</b>	<b>16 146,51 \$</b>

Port to port | On route 1520

### Statistics

DIRECTION: West | East  
SECTION: Route | Cargo | Transit service

Point of departure	Arrival point	TEU	Thousand tons	Average travel time, days
		297 551 (-1,68%)	1 578,45 (-11,17%)	13,68 (+3,17%)
China	Poland	177 750 (+91,30%)	629,38 (-111,62%)	13,66 (-16,55%)
Germany	China	56 376 (-16,74%)	302,42 (+17,04%)	12,30 (-5,96%)
China	Germany	55 309 (-38,21%)	304,03 (-34,80%)	15,44 (+4,61%)
Poland	China	18 110 (-16,15%)	101,88 (-29,25%)	12,82 (-3,83%)
China	Belgium	15 922 (+16,99%)	67,68 (+23,22%)	14,42 (+10,58%)
China	Netherlands	10 192 (-35,35%)	45,86 (-29,19%)	14,36 (+6,69%)

### Rail Container Transportation in Eurasia in the First Half of 2020

In the first five months of 2020, the total value of mutual trade between the EU and China carried out by railway transport, increased by 21.22% year-on-year (47.42% more in May than in January 2020). This development allowed rail transport to increase its share in the total trade volume from 2.83% in January-May 2019 to 3.47% in January-May 2020.

The outbreak of the new coronavirus infection, first in China, and later in other countries, led to introduction of quarantine measures imposed by national governments, primarily in the form of closing national borders. This series of events had a direct impact on the volume of trade flows between the European Union (EU) and China, the two largest manufacturing and trade centres on the Eurasian continent: for example, in January-May 2020, the volume of mutual trade between the EU and China in terms of overall value decreased by 13.4% as compared to the same period a year prior. In March, the decline reached its maximum in May 2020 the trade volume returned to the level of January 2020, mainly due to a sharp increase in the volume of EU imports of medical products from China. The pandemic has had a negative effect on the functioning of supply chains due to disruptions in transport infrastructure, with maritime and air transport being affected the most. Therefore, the rail transport served as a green light route for EU-China freight traffic, which was essential in the fight against the pandemic. For example, in the first five months of 2020, the total value of mutual trade between the EU and China carried out by railway transport, increased by 21.22% year-on-year (47.42% more in May than in January 2020). This development allowed rail transport to increase its share in the total trade volume from 2.83% in January-May 2019 to 3.47% in January-May 2020.

# NEW CHALLENGES AND OPPORTUNITIES DURING THE PANDEMIC

## «MODAL SHIFT» TIME



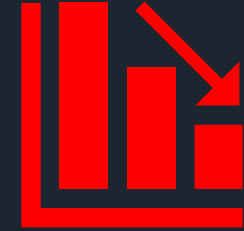
### At the apex of the crisis:

- Total volume transported by air decreased by 39% in April 2020
- Rates up by >300%
- Up to 20% of sailings cancelled, transported volume decreased by 10-15%
- W-BOUND rates increased by more than 20% y-o-y
- E-BOUND rates increased 100% y-o-y

### Rates



### Volumes



### Meanwhile on rail:

- “Modal shift” phenomena – cargo flows switching to rail in order to avoid increased rates and capacity crunches
- Rates down 4.4% since Jan 2020
- 60% volume growth y-o-y

### Rates



### Volumes



«As COVID-19 wreaked havoc across almost every transport sector globally, the rail routes between China and Europe offered a beacon of stability for shippers and forwarders» (DREWRY, SAS Report, August 2020)



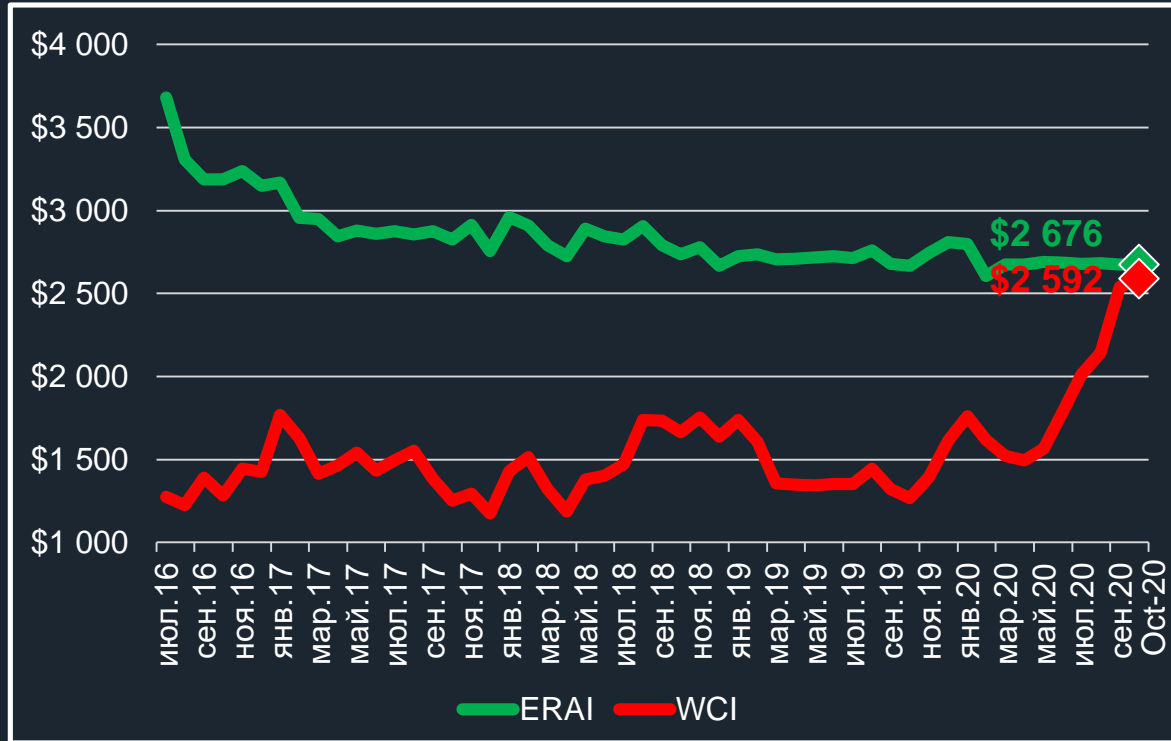
# IMPROVING RAIL RATE COMPETITIVENESS

**ERAI** – the Eurasian Rail Alliance Index, is a composite index of the cost of transit for container shipments in the Eurasian rail between China and the EU.

**WCI** – the World Container Index, is a composite index of ocean spot freight rates on major trade lanes assessed by Drewry.

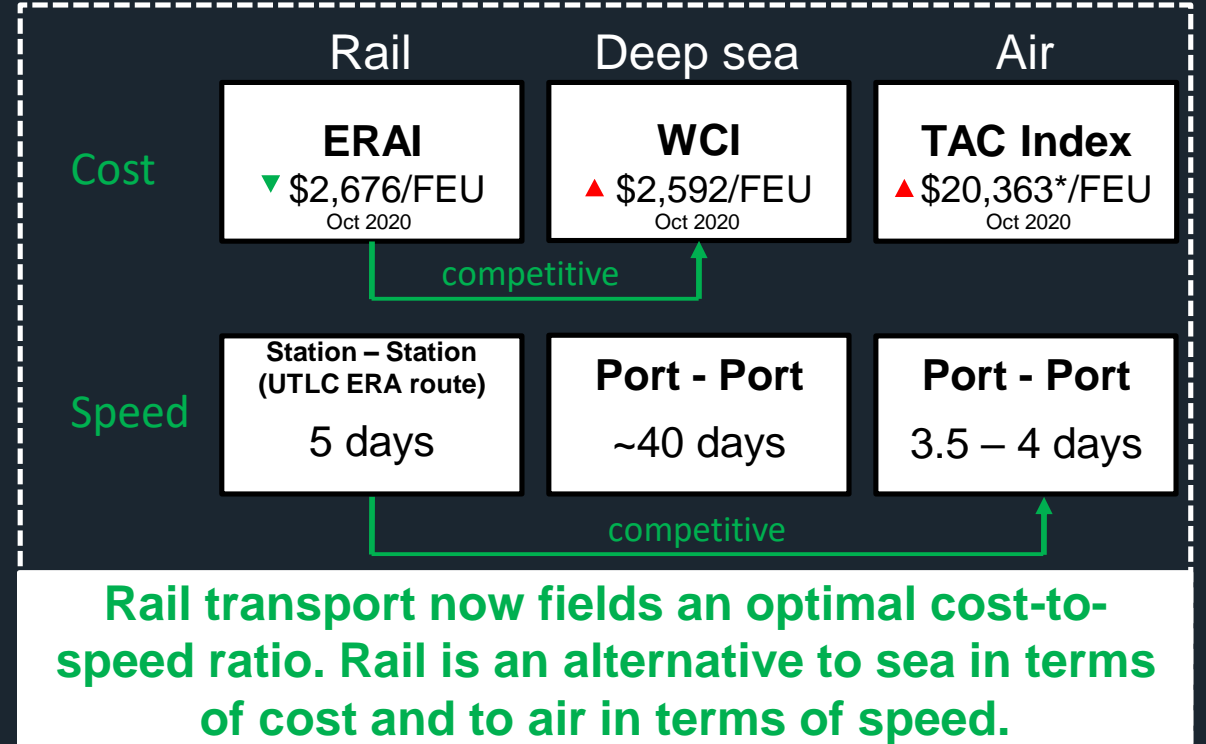
**TAC Index** – air cargo pricing indices for major global trade lanes assessed by The Air Freight Index Company.

## Rail freight and ocean freight transit rates 2016 – 2020, \$/FEU



For ERAI values refer to <https://index1520.com/en/>

## Comparison of cost and speed by transport mode



\*Air rate is calculated for average FEU kg load in rail services