Introduction of the Middle Corridor's Role in Strengthening Eurasian Connectivity

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Sequence of the presentation

- CAREC Corridors (road + rail) Overview.
- CAREC Corridor 2 alignment and Middle Corridor
- CPMM Case Study: Border-crossing performances of shipments
- Key reasons for the delay along the MC (WB 2023)
- Conclusion and policy recommendations

CAREC Corridors Performance Measurement and Monitoring (CPMM)

CPMM is a tool to assess the efficiency of CAREC transport corridors:

i. identifies causes of delays and unnecessary costs along the CAREC corridor, including border-crossing points and intermediate stops.

ii. helps authorities determine where and how to address identified bottlenecks.

iii. assesses the impact of regional cooperation initiatives.

Source: CAREC Program and ADB

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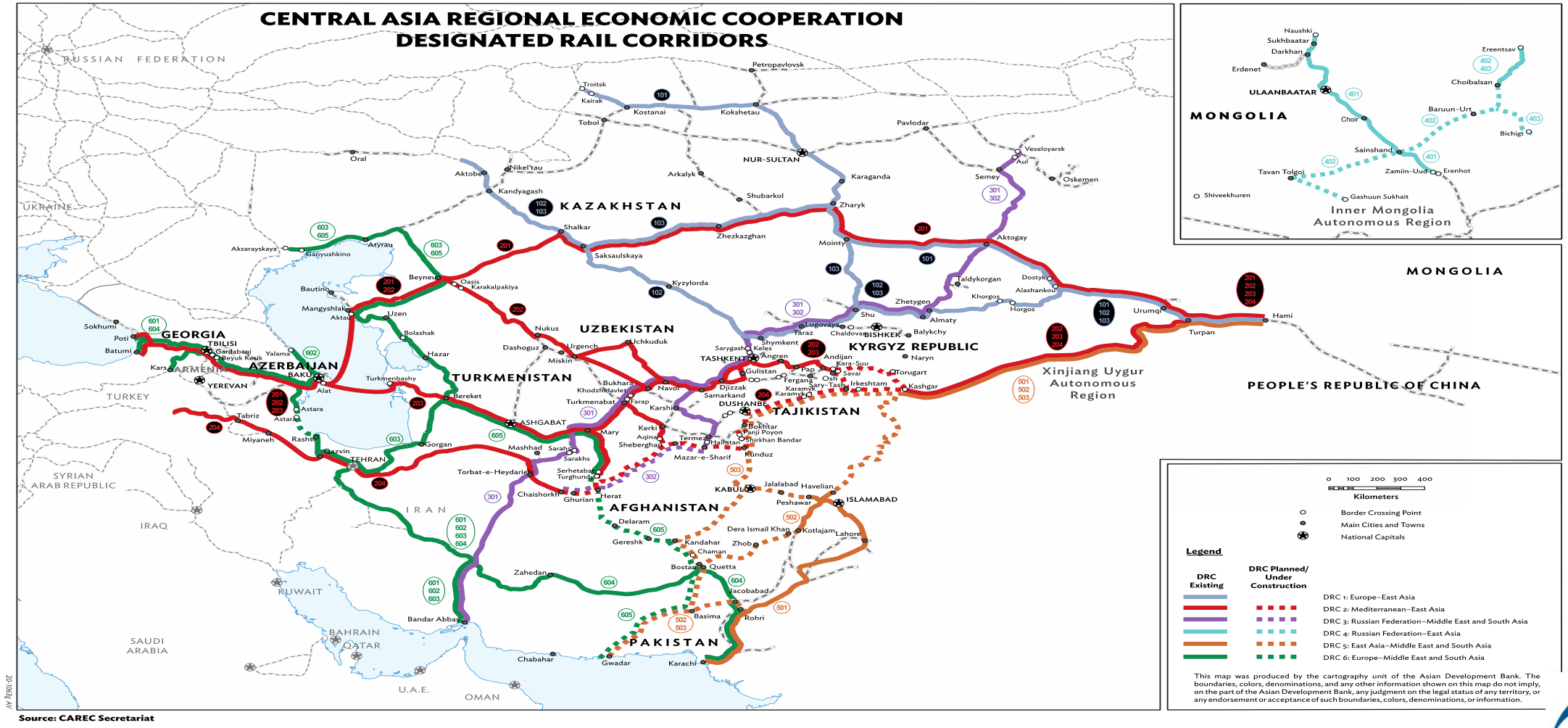
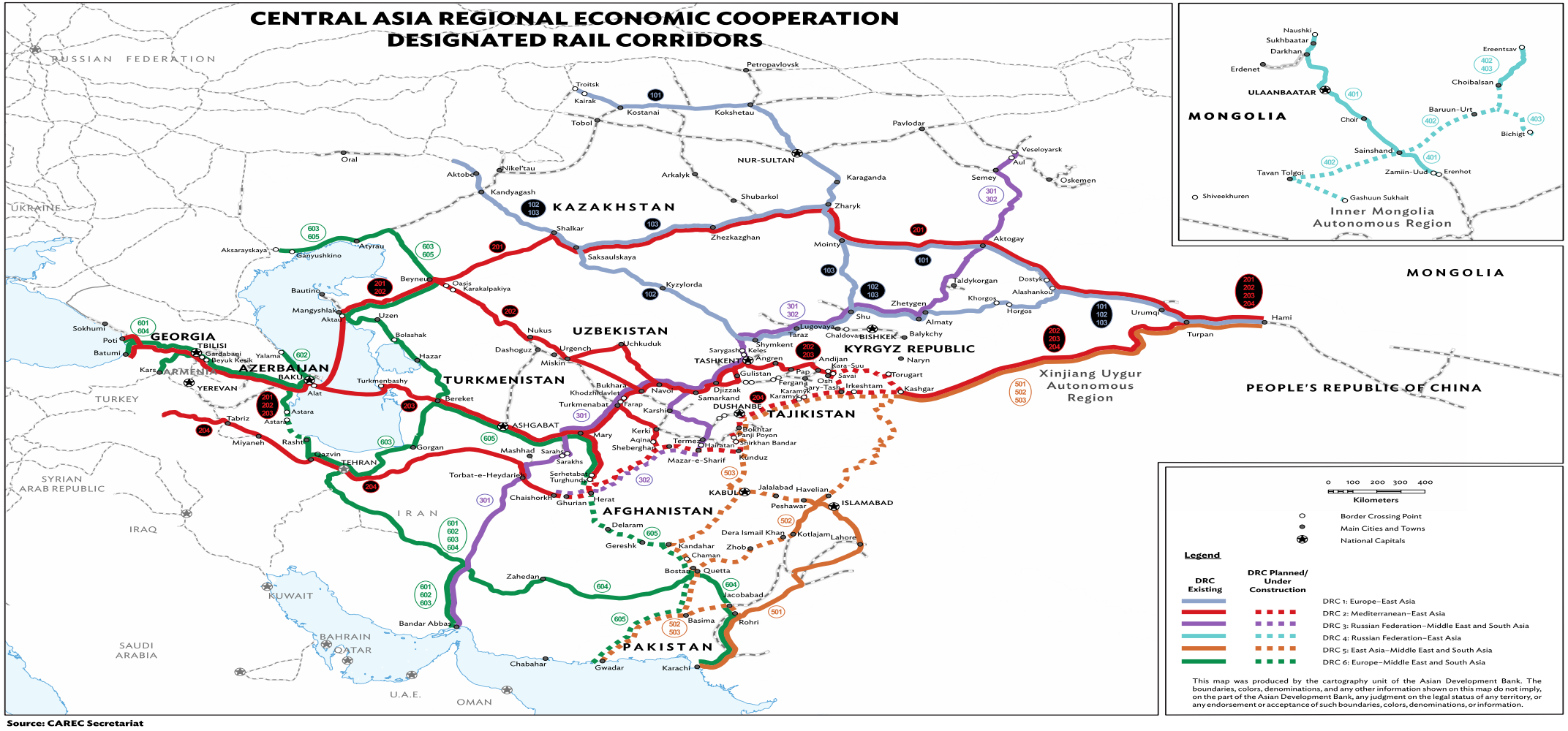
Designated Road Corridors



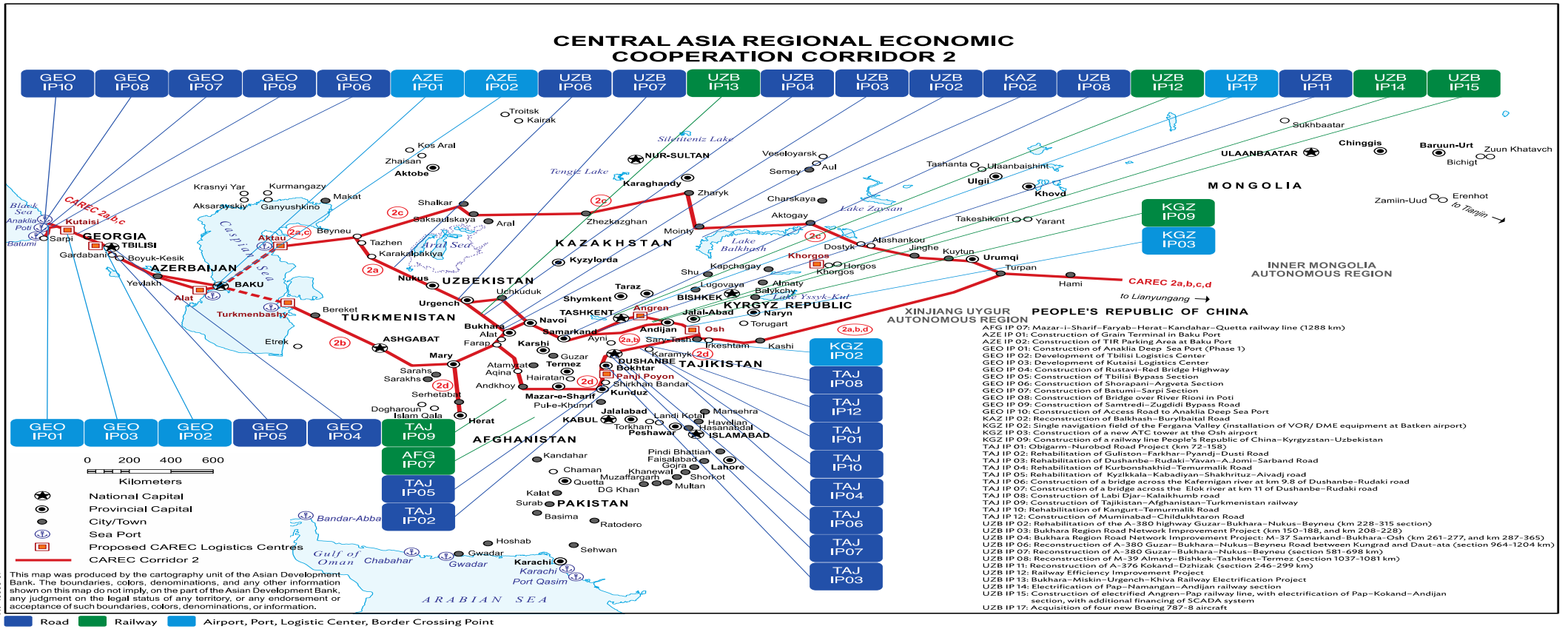
Source: CAREC Program and ADB

Designated Rail Corridors



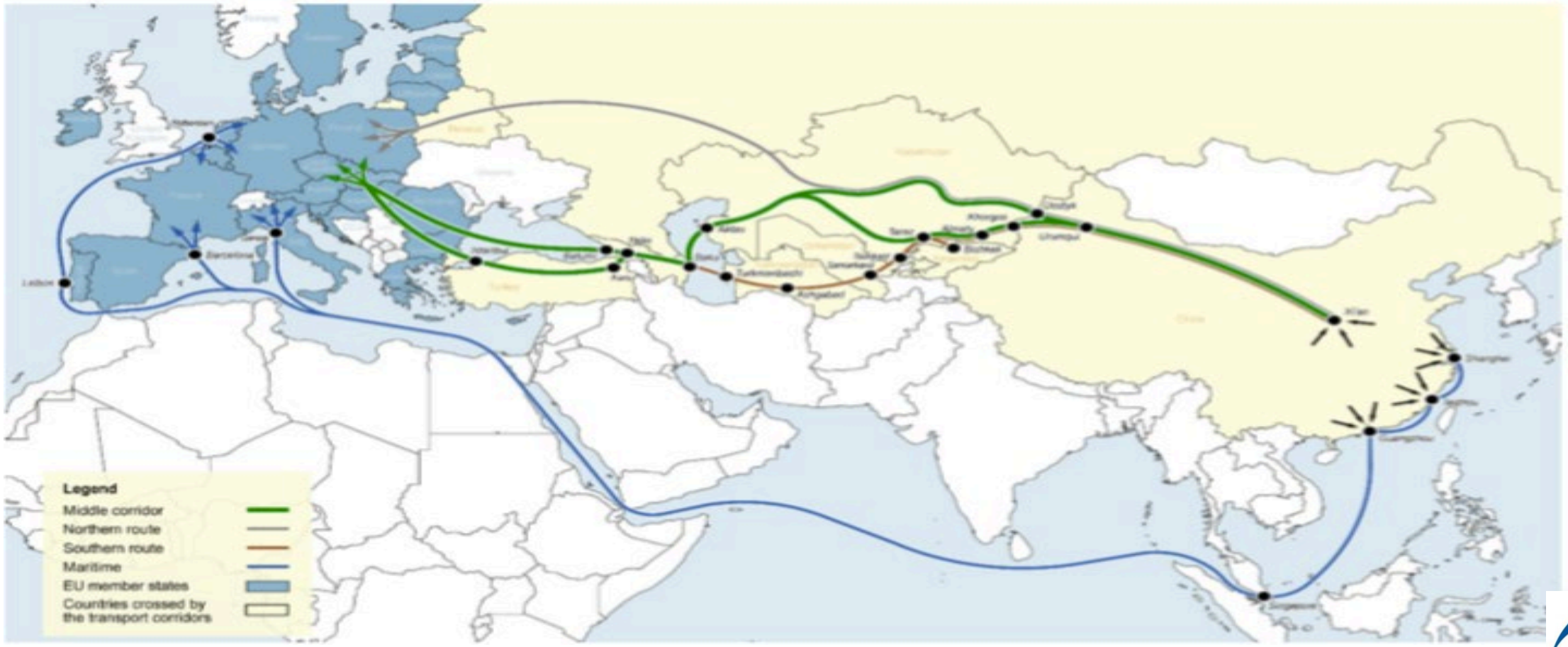
Source: CAREC Program and ADB

Corridor 2: Europe-Mediterranean-East Asia



Source: CAREC Program and ADB

Middle Corridor



Source: World Bank, November 2023

Border-Crossing Performance of Shipments through Corridor 2 in 2022

Direction	Performance	Indicators	Caspian Crossing[a]	Overland[b]	Train Shipments[c]
West to East	Unit Cost of Transport	Cost $ per ton	734.85	357.21	N/A
		Cost $ per km	2.21	1.19	N/A
		Cost $ per ton-km	0.21	0.07	N/A
	Speed	SWOD, km/h	42.88	25.76	N/A
		SWD, km/h	10.52	15.53	N/A
East to West	Unit Cost of Transport	Cost $ per ton	184.78	162.28	273.25
		Cost $ per km	1.10	0.98	1.27
		Cost $ per ton-km	0.06	0.05	0.03
	Speed	SWOD, km/h	42.10	24.09	43,34
		SWD, km/h	12.12	12.72	5.89

a: These are the samples that crossed on land by road the Caspian Sea by ferry.
b: These are the samples that moved on land by road around the Caspian Sea.
c: These are the samples that moved on land by rail and crossed the Caspian Sea by ferry.

Source: CPMM 2023 Forthcoming

Border-Crossing Performance of Shipments through Corridor 2 in 2022

- The time at seaports was estimated to be 2.7 times longer than road BCPs (21.0 hours versus 7.8 hours). In terms of cost, the cost was 3.8 times higher at seaports ($236.80 versus $62.60).
- At seaports, the time taken is dependent on operations time and the waiting time. The former refers to activities including customs controls, inspections, immigration, and materials transfer (e.g. moving containers to the docks). Waiting time refers to the time when the shipment is waiting in the port for the vessel to arrive, or for the shipment to be cleared for onward journey.

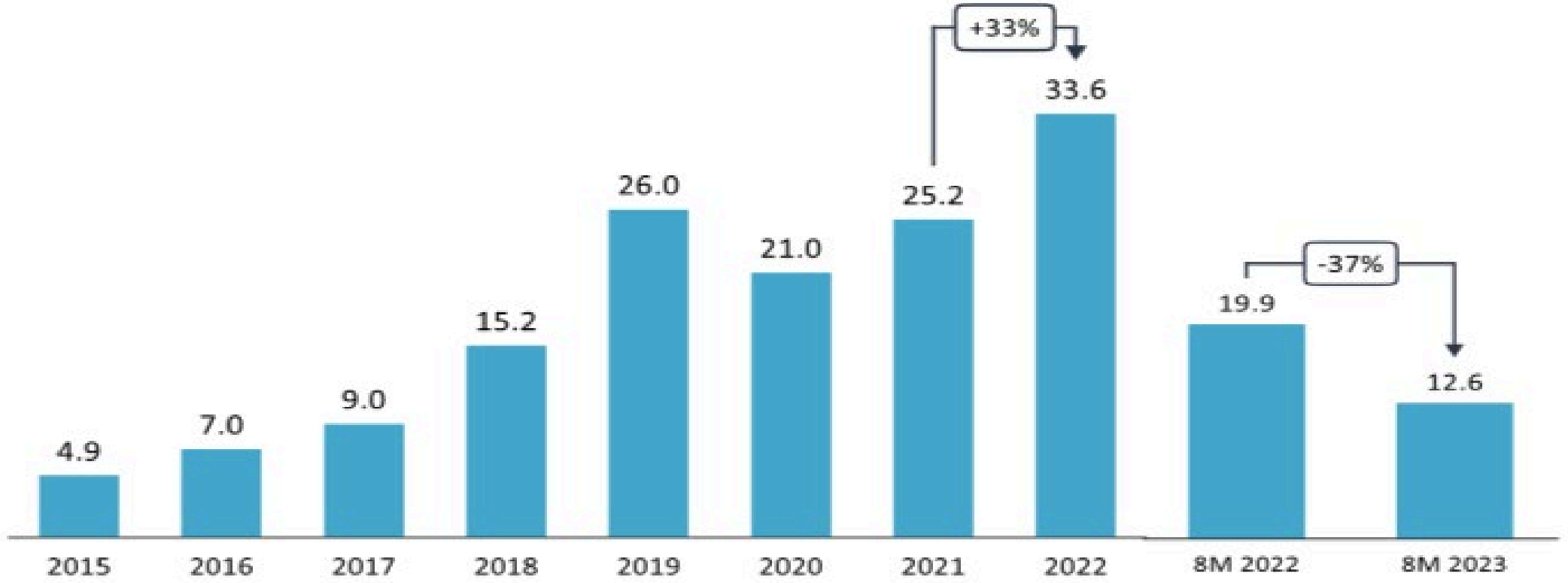
Nodes	Border-crossing time (hours)	Border-crossing cost ($)
Land BCPs	7.8	62.60
Seaports	21.0	236.80

Source: CPMM 2023 Forthcoming

Seaports' Performances

- The estimated average waiting time is longer than the operations time.
- Shipments at Baku experienced the longest waiting time in comparison to Aktau or Kuryk.
- From 2021 to 2022, Baku's waiting time jumped 2.2 times from 60.9 hours to 134.1 hours.
- The significant jump in waiting time at Baku exceeded the previous peak of 109.7 hours estimated in 2020.

Container traffic along the Middle Corridor, thousand TEUs



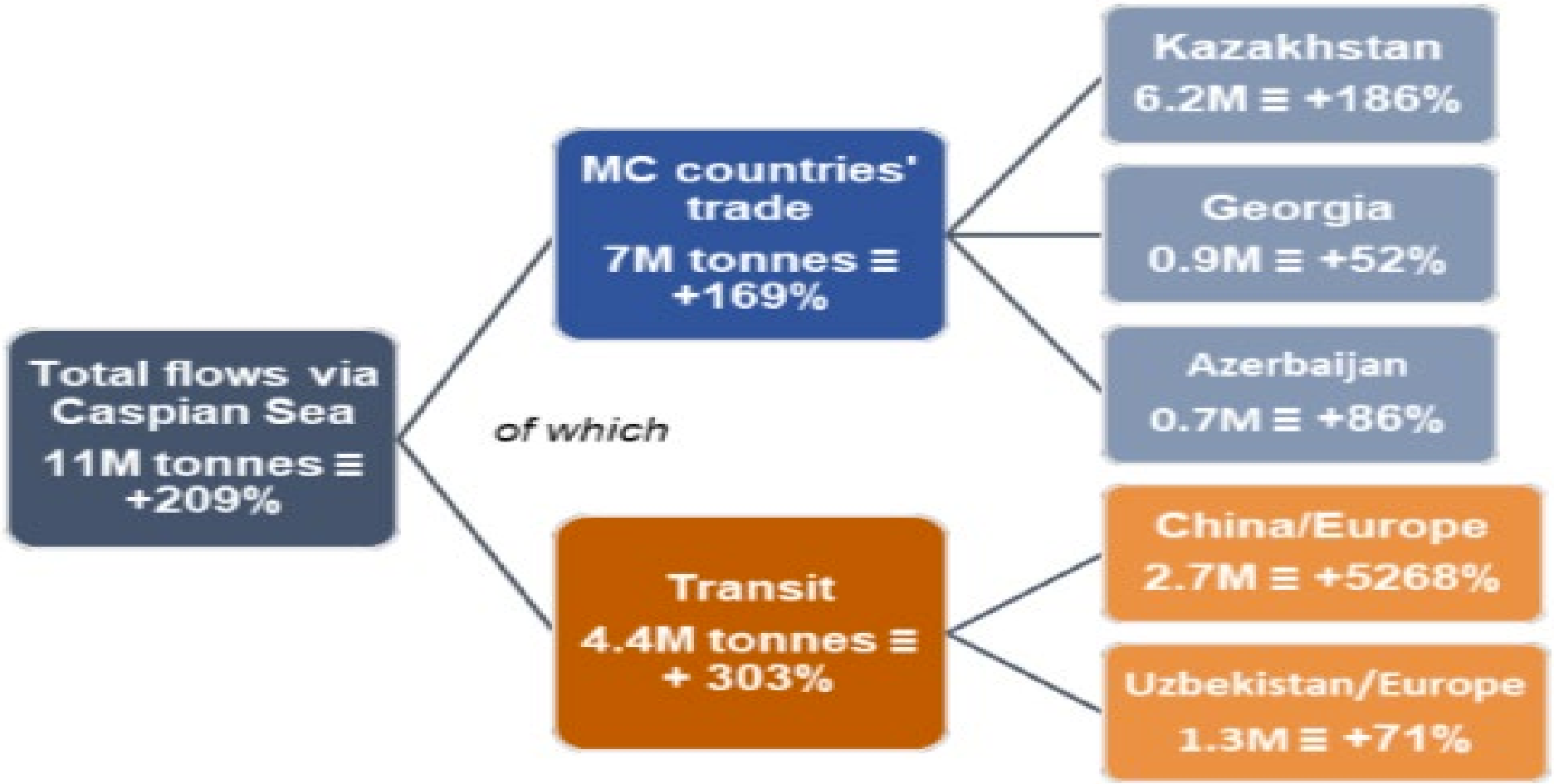
Source: World Bank, November 2023

Key reasons for delays along the MC – as indicated by the respondents in open-ended questions

Border crossing	Reasons for delays (+ - noted by respondents in open questions, ++ - noted several times by respondents in open questions)					
	Shortage of vessels or rolling stock	Congestion or infrastructure insufficiency, long handover of rolling stock	Control procedures, incl. customs	Problems with documents (insufficient digitalization)	Governance (corruption, monopolism)	Capacity shortage in China
CN-KZ: Dostyk-Alashankou (rail)		+	+			+
CN-KZ: Khorgos-Altynkol (rail)				+		+
Port Aktau	++	+	+		+	
Port Quryq	++			++	++	
Port Baku / Alat	++	+			+	
AZ-GE: Boyuk Kasik-Gardabani (rail)		+	+	+		
Port Poti	+	+		+		
Port Batumi	+	+		+		
GE-TR: Kartsakhi-Cildir/Aktas (rail)		+	+			
Port Istanbul	+	+		+		

Source: World Bank, November 2023

Traffic along the MC via the Caspian Sea is projected to triple by 2030 to 11million tonnes



Source: World Bank, November 2023

Conclusion and Policy Recommendations

- Azerbaijan, Kazakhstan, Georgia and Turkiye are the main players of the Middle Corridor. Therefore, continued trade facilitation measures at BCPs (road + railways + Sea) are extremely important.
- A designated operation mechanism needs to be established for the Middle Corridor.
  - Manage movements (cargo track and trace) along the entire corridor.
  - Manage adequate transport capacity.
  - The joints operating/logistic company could be used as a single point of contact for the users.
- On a continuous basis, along the middle corridor, identify the congestions and blockages points for road, rail and sea transport and eliminate the bottlenecks to facilitate the shipments smoothly along the middle corridor.
- Digitalization initiatives not only at BCPs but at the entire supply chain to facilitate the users and stakeholders.

Thanks. Looking forward to having any questions