

TRACECA
TRANSPORT CORRIDOR EUROPE CAUCASUS ASIA

Humanitarian Corridor to Afghanistan

**Favorable conditions for the transportation of
humanitarian goods and reconstruction materials to
Afghanistan**

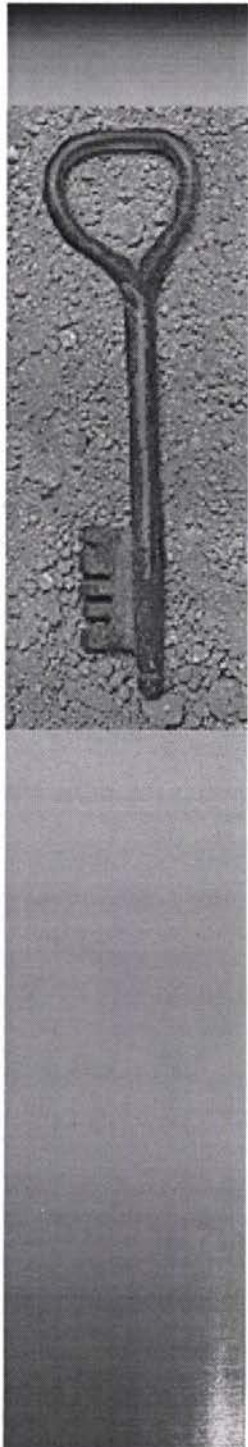
Permanent Secretariat of IGC TRACECA

2002



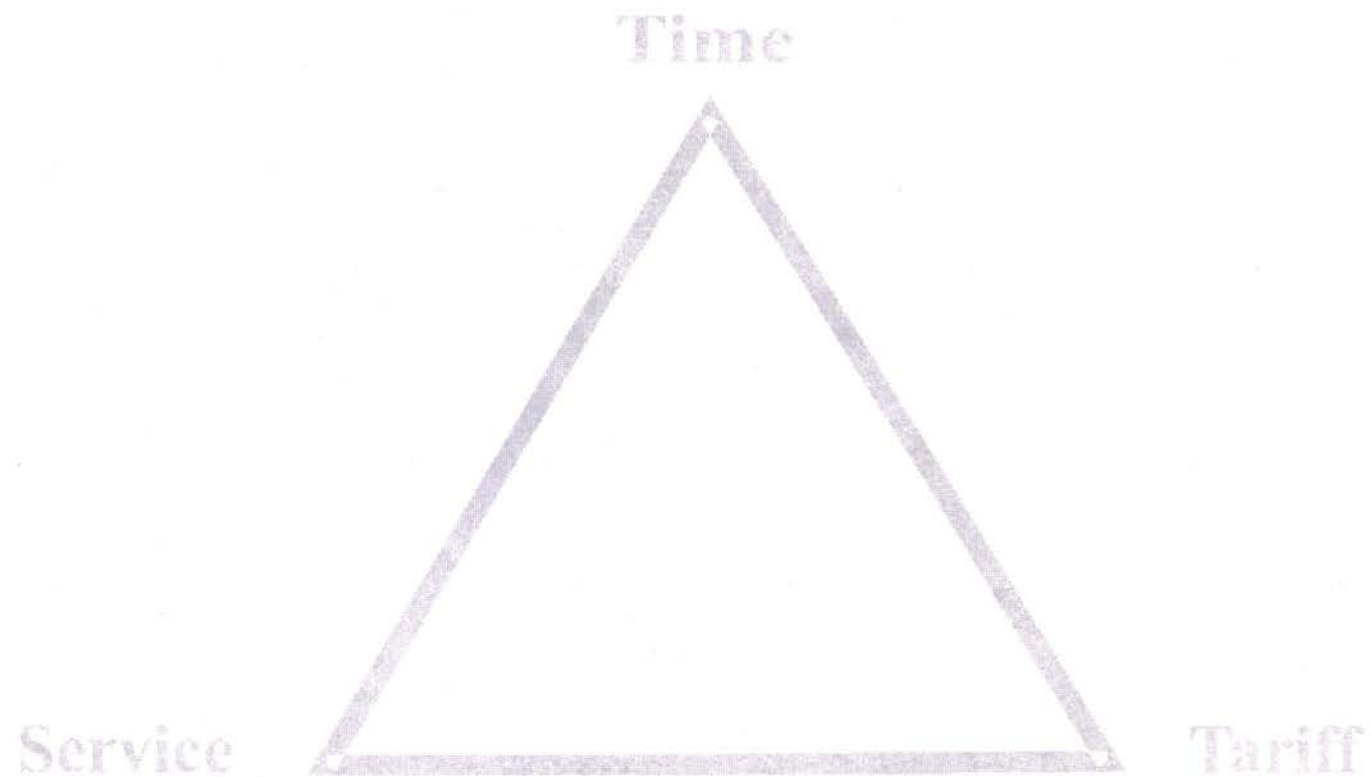
Main factors influencing competitiveness:

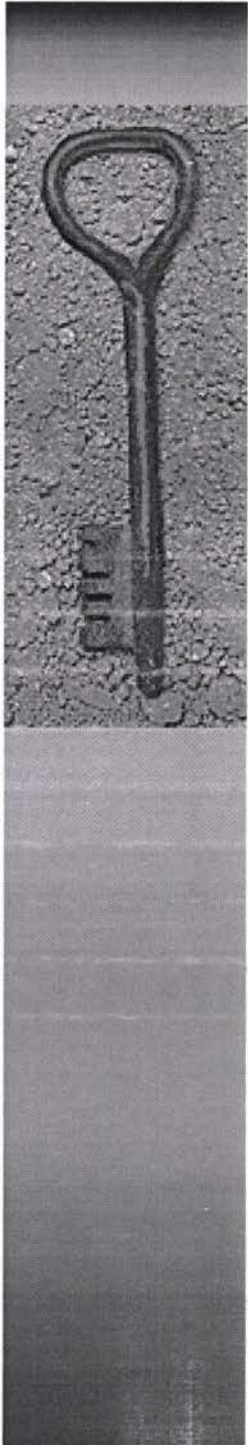
- ◆ Time of transportation
- ◆ Level of service
- ◆ Tariff



Commercial Triangle

As a main factor in selecting transport route



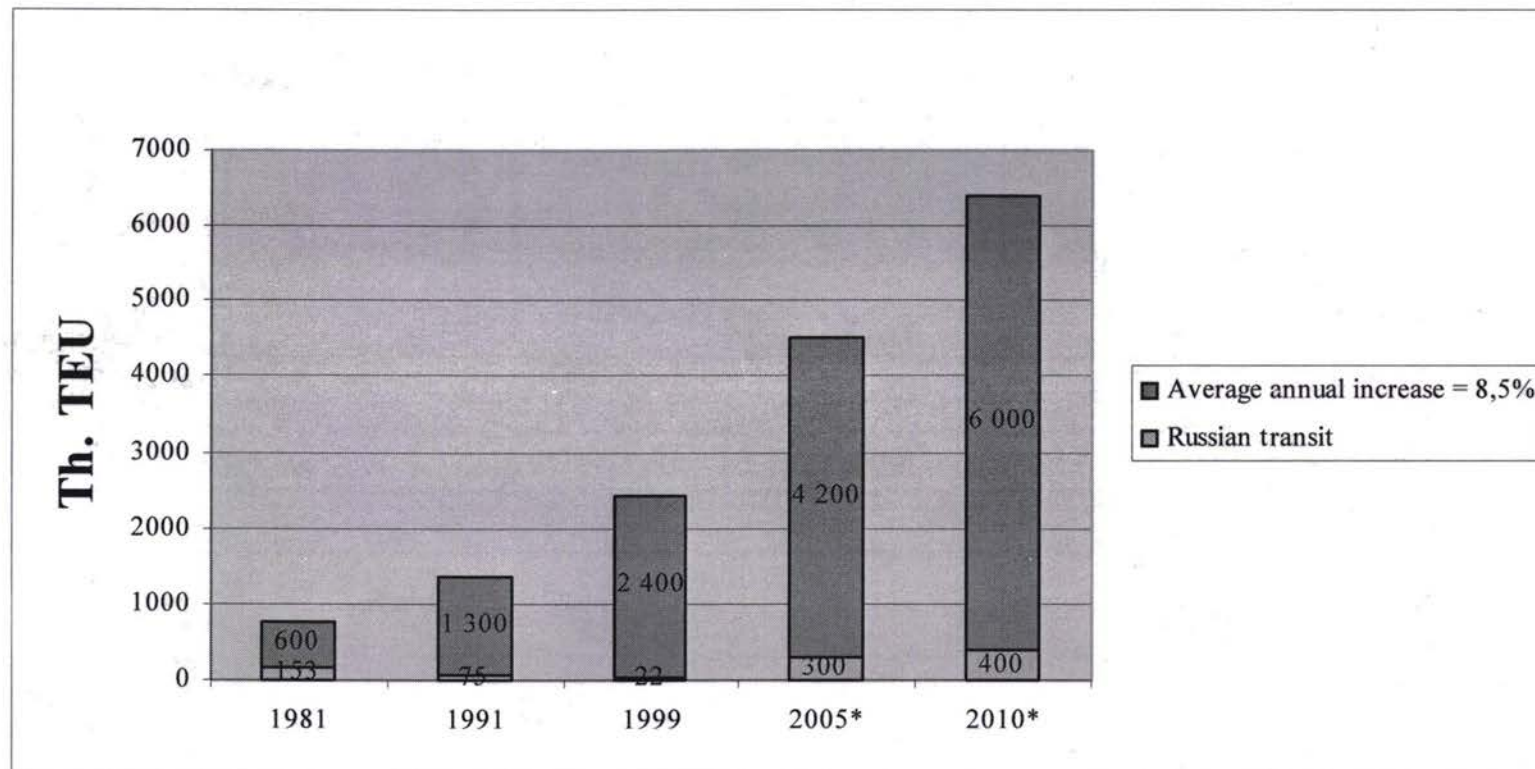
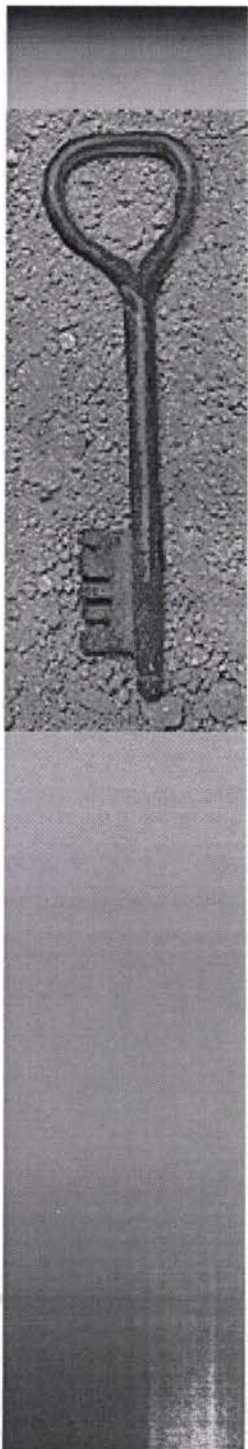


Indicators of foreign trade between several Asian and EU countries (billion USD)

	European Union			
	1986r.		1996r.	
	Import	Export	Import	Export
Japan	17,8	36,7	50,8	62,1
CPR	9,1	4,4	23,0	21,0
Indonesia	2,2	1,4	9,5	7,6
Malaysia	1,9	2,1	14,0	11,0
South Korea	3,9	5,2	23,7	16,3
Total:	35,6	49,8	120	118
Turnover	85,4		237,9	
Increase	2,8 times			

In 2000 trade turnover between Asian and European countries amounted to \$ 2 trillion USD, transport expenses made 200 billion USD.

Container traffic between Europe and Japan / Korea



Part of the RusRW	26%	6%	1%	7%	9%
Part of the TRACECA countries	3%	1%	0,2%	0,5%	0,7%
Whole market (th. TEU)	1 700	3 500	6 800	12 000	14 000

**(The forecast is calculated on the bases of trade growth rates & management assessments of the Far Eastern Asian ports)*

EIU data were utilized



Transport cost (Tariff) as a major factor of transport corridors competitiveness under equal infrastructure conditions (Service) and transport duration (Time)
Berlin –Pusan Port (Korea)

	TRANSSIB	Northern Corridor TAR	Transoceanic Corridor	TRACECA
<i>Time</i>	26 days	28 days	35 days	27 days
<i>Service</i>	Identical	Identical	Identical	Identical
<i>Tariff</i>	1280 \$/TEU	3119 \$/TEU	1488 \$/TEU	3847 \$/TEU

UN-ESCAP data were utilized

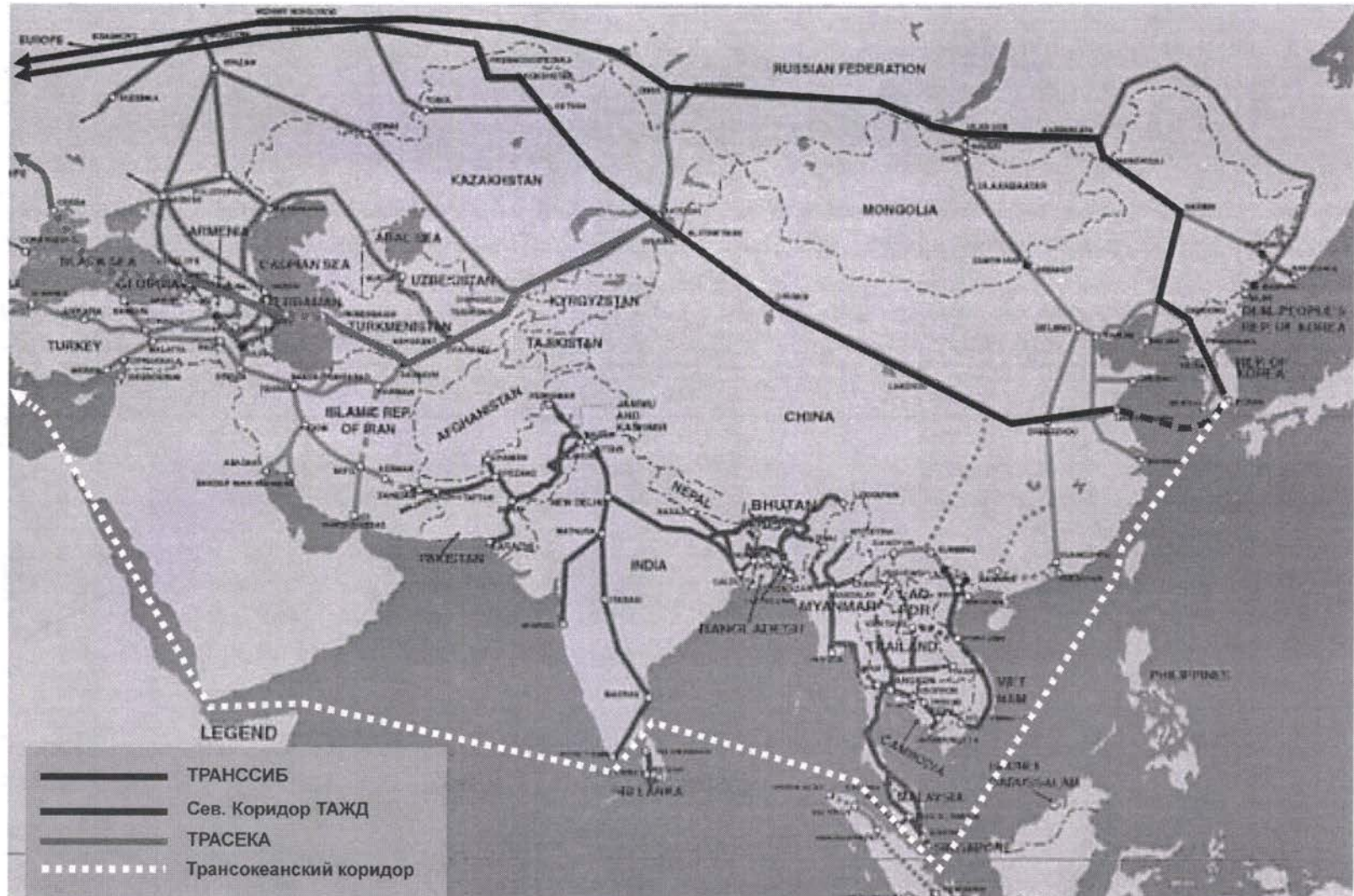
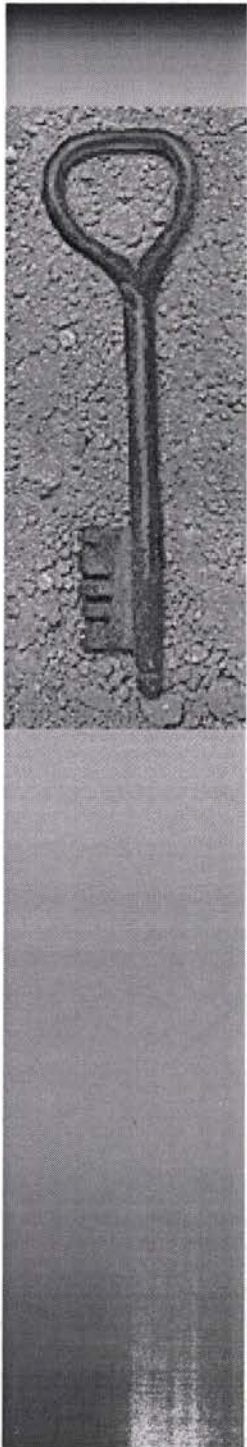


Reduction of transportation cost (Tariff), having applied TRACECA coefficients Berlin – port of Pusan (Korea)

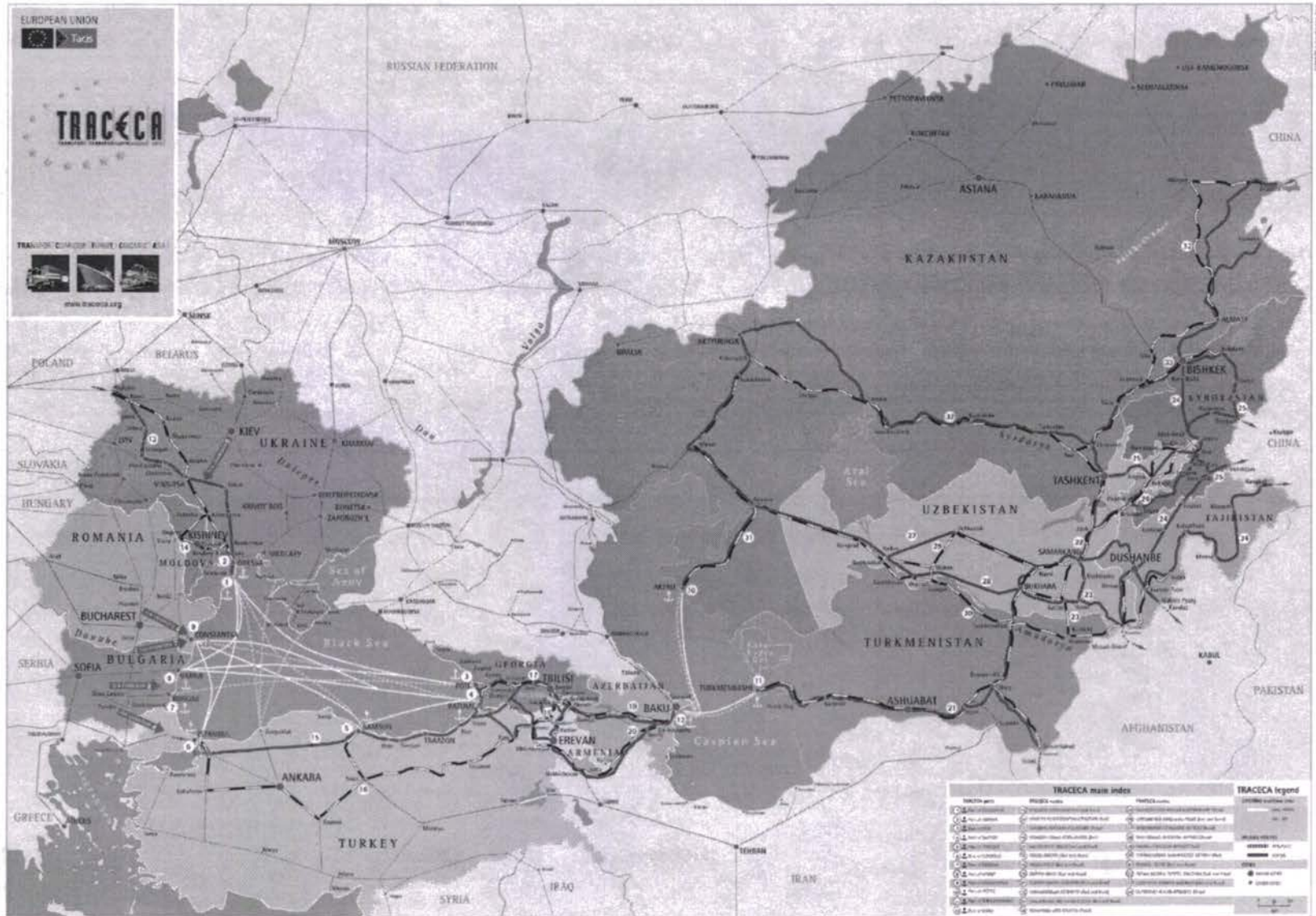
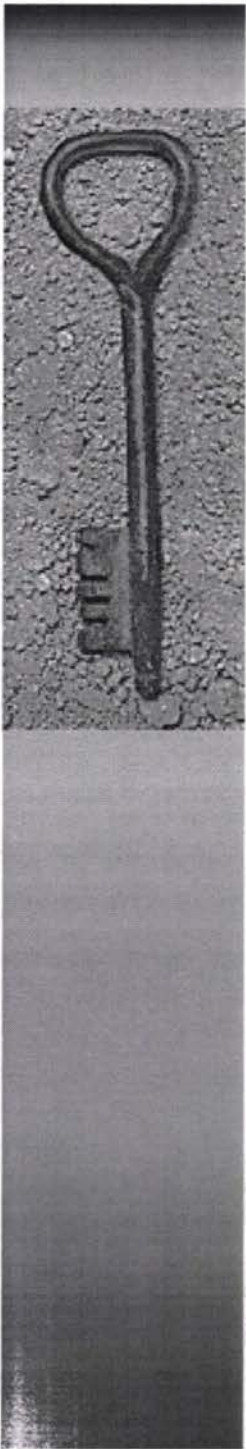
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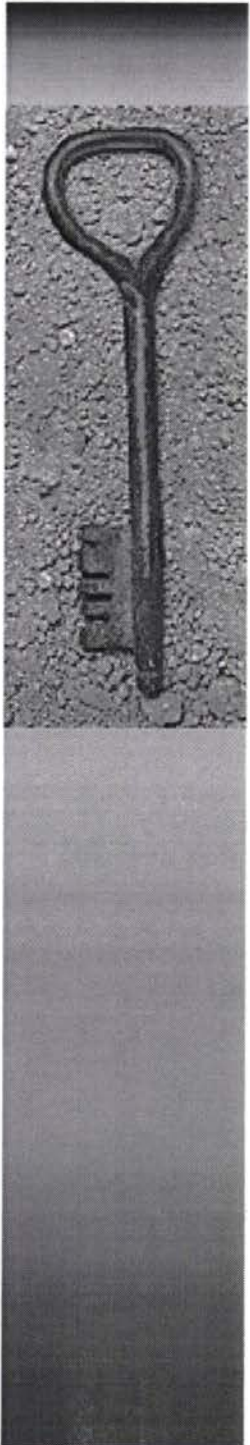
UN-ESCAP data were utilized

Major Euro-Asian railway and maritime transport corridors between Europe & Asia (UN ESCAP)



Transport corridor Europe-Caucasus- Asia “TRACECA”





**Basic Multilateral Agreement
on International Transport for
Development of the Europe-the Caucasus-Asia
Corridor**

08.09.1998, Baku

Parties agreed:

**to sign “Basic Multilateral Agreement on International
Transport for Development of the Europe-the Caucasus-Asia
Corridor “.**



Article 1

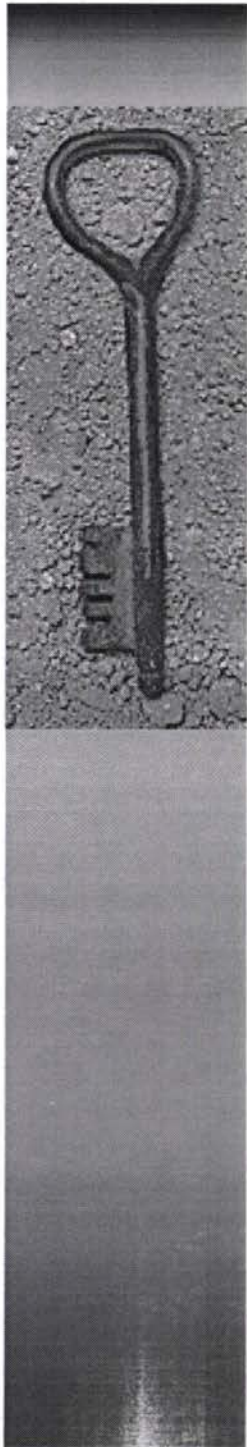
General Provisions

The provisions of the Basic Agreement shall regulate the international transport of goods and passengers between the Parties and transport in transit through the territories of the Parties.

Article 3

Objectives of the Basic Agreement

- b) to facilitate access to the international market of road, air and railway transport and also commercial maritime navigation;**
- c) to facilitate international transport of goods and passengers and international transport of hydrocarbons;**
- d) to ensure traffic safety, security of goods and environmental protection;**
- e) to harmonize transport policy and also the legal framework in the field of transport;**



Article 4

Facilitation of International Transport

2. The Parties shall ensure the most effective arrangements for facilitation of transport in transit on their territories.

Article 6

Preferential Terms and Tariffs

1. Tariffs for transport transit services shall be established on the basis of preferential terms.

2. The Parties have agreed that should preferential terms and tariffs be established between two Parties for types of transport referred to in Article 1 of the Basic Agreement, no less preferential terms and tariffs will be applicable between these Parties and other Parties.

Technical Annex on International Railway Transport to the Basic Agreement

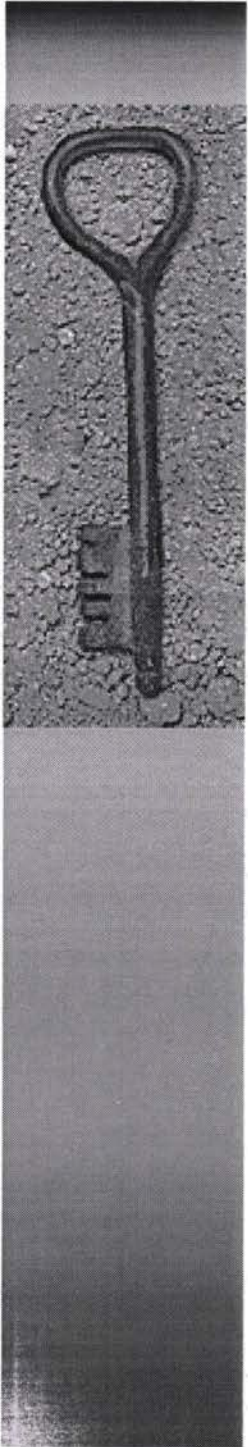
APPENDIX 2

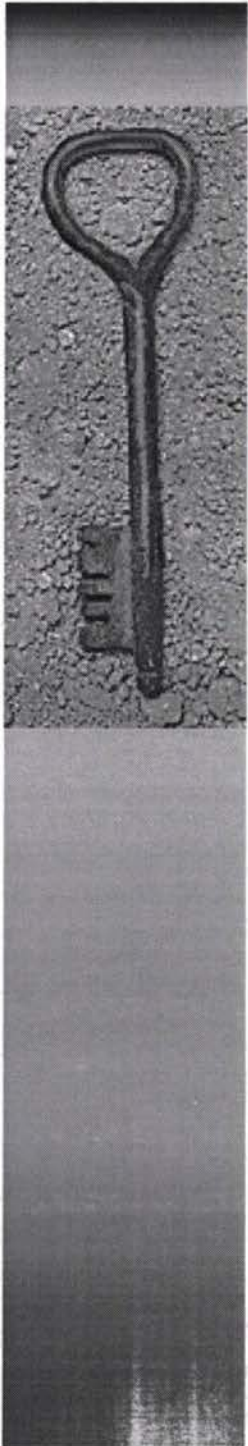
To Technical Annex on International Railway Transport

Pursuant to Article 4 of the Technical Annex on International Railway Transport, the following preferential terms and tariffs apply for the Parties to the Basic Agreement:

- a) up to 50% discount on the full current tariffs for transport of goods by railway on preferential tariffs existing in relevant agreement and contracts;

- b) for transport of empty wagons by train ferry, up to 50% reduction on the full current tariffs.





Article 8

Inter-Governmental Commission

1. The Parties shall set up an Inter-Governmental Commission to regulate the issues regarding the implementation and the application of provisions of the Basic Agreement .

Article 9

Permanent Secretariat

4. The Permanent Secretariat shall supervise the implementation of the provisions of the Basic Agreement and shall also implement the decisions of the Inter-Governmental Commission and put forward appropriate proposals to the Inter-Governmental Commission.



**EXTRAORDINARY MEETING
OF INTERGOVERNMENTAL COMMISSION “TRACECA”
FOR TRANSPORT CORRIDOR EUROPE-THE CAUCASUS-ASIA**

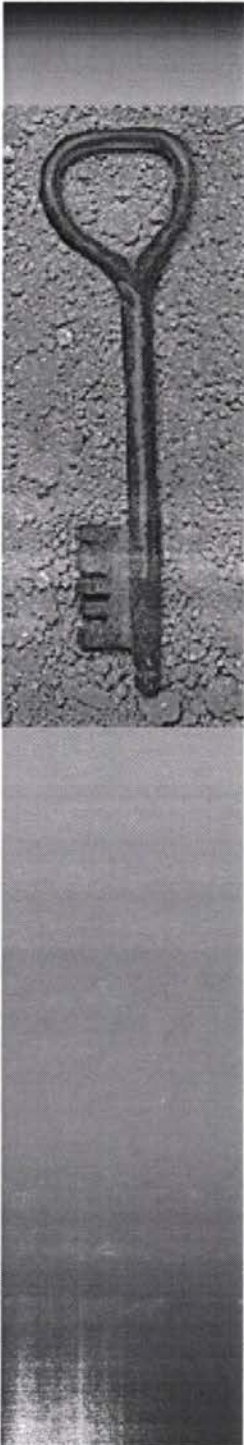
Tbilisi, December 11-12, 2001

FINAL RESOLUTIONS

**1. PROVIDING THE MOST FAVOURABLE CONDITIONS
FOR THE TRANSPORTATION OF HUMANITARIAN GOODS
AND RECONSTRUCTION MATERIALS TO AFGHANISTAN**

The IGC TRACECA charges the Permanent Secretariat of the IGC TRACECA with the following actions:

- Within the shortest period of time, to work out proposals aimed at simplification of administrative procedures for the transportation of humanitarian goods and reconstruction materials transported to this region;**
- To develop and introduce the monitoring system for the transport of humanitarian goods and reconstruction materials transported to this region;**



PROPOSAL ON COOPERATION

**WITH INTERGOVERNMENTAL COMMISSION "TRACECA"
FOR THE PURPOSES OF CREATION OF THE MOST FAVORABLE CONDITIONS
FOR TRANSPORTATION OF HUMANITARIAN GOODS
AND RECONSTRUCTION MATERIALS
WITHIN THE TRACECA CORRIDOR,
IN TRANSIT TO AFGHANISTAN**

- ◆ **This "Proposal on Cooperation" is addressed to all main international agencies, NGO's and transport-forwarding companies involved in logistic of the humanitarian goods and reconstruction materials addressed for Afghanistan.**
- ◆ **In accordance with the instructions of the IGC TRACECA, the Permanent Secretariat (PS) IGC TRACECA located in Baku prepared specific proposals aimed at the simplification of administrative procedures for the transportation of humanitarian goods and construction materials in transit to Afghanistan.**
- ◆ **Particularly, the PS IGC TRACECA has made a proposal to the governments of TRACECA countries, the territories of which may be used for the mentioned-above purposes, on the implementation and introduction of the following conditions:**



1. For the purpose of simplification of the customs procedures at the border crossings, for transit traffic of humanitarian goods and construction materials running to Afghanistan both by direct railway and by combined multimode traffic to utilize only railway traffic documents instead of transit customs declarations (TCD) in the TRACECA member-states.

(In accordance with the agreement made at the Extraordinary Meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi)

2. For the TRACECA member-states it has been recommended as soon as possible (within three months) to provide for the creation and development of the customs documents processing service, which would operate around the clock, both in regional divisions and in specially designed points of customs control.

3. It has been recommended for the railway administrations of Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Ukraine, Turkmenistan, the Azerbaijan Caspian Shipping Company, Ukrferry Shipping Company, as well as the sea ports of Batumi, Poti, Baku, Turkmenbashi and Aktau to hold till the end of January, 2002 in the Permanent Secretariat IGC TRACECA the meeting of authorized experts-representatives on tariff policy of the above-mentioned agencies for the discussion of possible introduction of a common combined through rate on the basis of parity preferences (taking into account the issues 4, 6, 8 of this project of proposals) for the traffic of humanitarian goods and construction materials in the line of Afghanistan.

(In accordance with the agreement made at the working meeting of the authorized experts-representatives for tariff policy in the railway, ports and shipping companies of the CIS countries on 20.07.2001 in Baku, at the working group meeting of the railway representatives on 14-15.12.2000 in Baku and at the Extraordinary Meeting of the iGC TRACECA on December 11-12, 2001 in Tbilisi)



4. For the purpose of creation of the most favorable conditions to attract an additional non-traditional freight flow into the TRACECA corridor and for the purpose of transit traffic cost saving it has been recommended for the TRACECA member-states during three months to exempt transit traffic of humanitarian goods and construction materials from taxes, dues and fees and other payments except for the payment for expenses on transport services related to traffic and payments for utilization of transport infrastructure.

(In accordance with the agreement made at the extraordinary meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi)

5. To transport empty wagons and platforms operated before for the traffic of humanitarian goods and construction materials in the line of Afghanistan by railway ferry it has been recommended to give a 50% rebate on the existing tariff.

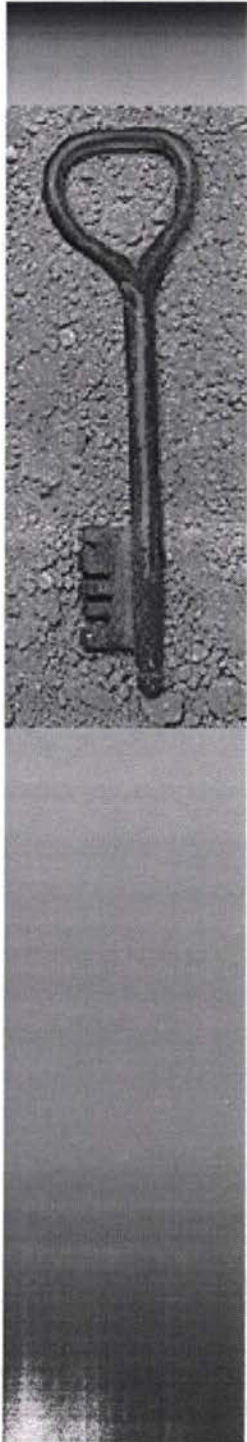
(In accordance with an agreement made at the Extraordinary Meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi).

6. Since April 1, 2002 for the purpose of the transit traffic cost saving it has been recommended for the railway administrations of the TRACECA member-states to apply on the parity basis (about 50%) the rebate tariffs to the payments for vehicle fleet services on the territories of the railway administrations of the TRACECA member-states.

(In accordance with the agreement made at the meeting of the heads of railway administrations on 02.09.2000 in Tbilisi and at the Extraordinary Meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi).

7. Since April 1, 2002 it has been recommended for the TRACECA member-states to cancel and not to apply afterwards the practice of mortgaging customs deposits in any forms and to any types of freight running in transiting to Afghanistan.

(In accordance with the agreement made at the Extraordinary Meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi).



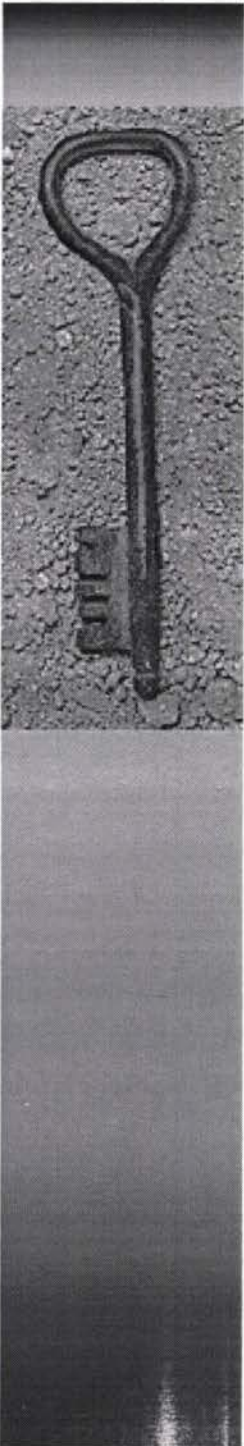
8. Since April 1, 2002 for the purpose of the international traffic cost saving it has been recommended for the TRACECA member-states to apply the zero tax rate on the value-added for the railway traffic services in international and transit railway communication including the services on transportation, forwarding, handling operations and storage. *(In accordance with the agreement made at the meeting of the heads of the railway administrations on 02.09.2000 in Tbilisi, at the working group meeting of the railways representatives on 14-15.12.2000 in Baku and at the extraordinary meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi)*

9. It has been recommended to issue free of charge and in a simplified regime single or double-entry visa permits to the TRACECA countries for the legal entities' representatives (freight owners, operators and forwarding agencies officially involved in the traffic of humanitarian goods) and for the natural persons (engine drivers-mechanics of refrigerator sections, conductors, vehicle-drivers) who directly accompany the humanitarian goods and construction materials sent to Afghanistan. *(In accordance with the agreement made at the Extraordinary Meeting of the IGC TRACECA on December 11-12, 2001 in Tbilisi).*

10. It has been recommended to the Heads of the National Delegations to the IGC TRACECA, the National Commissions in TRACECA countries to define the corresponding organizations and agencies (in this case the question on the efficiency of the special structures creation under the National Commissions can be considered) which in cooperation with the TRACECA National Secretariats in the TRACECA countries and the PS IGC TRACECA will perform registration and monitoring of transit traffic of humanitarian goods and construction materials in the line of Afghanistan for the purpose of creation of the security and safety conditions during their transportation.

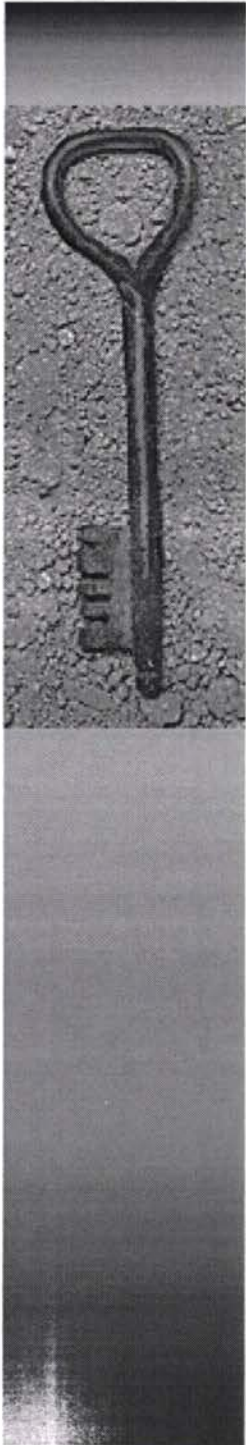
Consolidated table – positions of TRACECA programme member states

Fact of the offer of PS of IGC TRACECA	Armenia	Azerbaijan	Bulgaria	Georgia	Kazakhstan	Kyrgyzstan	Moldova	Romania	Tajikistan	Turkmenistan	Turkey	Ukraine	Uzbekistan
General view of the received answer	Approved by National Committee	remarks of AR received	Approval & remarks of a NC received	Received from NS	Received from NS	NS: The offers are considered	No information	NS: The offers are considered	Received from NC	NS: The offers are considered	Received from NC	Received from NS	Approved by National Committee
1. To use only railway bills (SMGS) instead of transit customs declarations	Issue under consideration	AGREE If all information for customs will be reflected in SMGS	AGREE	DISAGREE For today coefficients the inferred revenue code of Georgia	DISAGREE (Customs)	AGREE	No information	AGREE	AGREE	Issue under consideration	Issue under consideration	DISAGREE There is no unified customs space	AGREE Customs accept in-line docs protocol with UNO
2. To establish and development of customs documents processing checkpoints with 24-hour work schedule	Issue under consideration	AGREE	AGREE Already exist	AGREE	AGREE Already exist	AGREE	No information	AGREE	Issue under consideration	Issue under consideration	Issue under consideration	Issue under consideration	AGREE Already exist
3. To organize the meeting will involve plenipotentiary tariff experts of the above-mentioned agencies and discuss the common rate through combined rate on the basis of provided party discounts	Doesn't pertain to Armenia	AGREE	AGREE	AGREE	AGREE	Doesn't pertain to Kyrgyzstan	Doesn't pertain to Moldova	Doesn't pertain to Romania	Doesn't pertain to Tajikistan	AGREE	Doesn't pertain to Turkey	AGREE	AGREE
4. To free all transit traffic of humanitarian goods and construction materials to Afghanistan from all fees, dues and any other payments, except transport service and transport infrastructure fees.	Issue under consideration	AGREE All transit along TRACECA corridor are free.	AGREE	AGREE	AGREE (excepting excise goods)	AGREE	No information	Issue under consideration	AGREE (MinTrans)	Issue under consideration	Issue under consideration	In the competence of Parliament	AGREE (Based, according to protocol with UNO)
5. To apply 50% discount for RW ferry transport of empty wagons, platforms, etc	Doesn't pertain to Armenia	AGREE	AGREE	AGREE	DISAGREE Exist lowering "TRACECA" coefficients	Doesn't pertain to Kyrgyzstan	Doesn't pertain to Moldova	AGREE	Doesn't pertain to Tajikistan	Doesn't pertain to Turkmenistan	Issue under consideration	Free of charge according to bilateral agreement (EC "Laz ferry")	Doesn't pertain to Uzbekistan
6. To use preferential tariffs on a parity basis (0-50 %) for the use of the wagons fleet on the territories of TRACECA Railway Administrations	Issue under consideration	Issue under consideration	Issue under consideration	AGREE	DISAGREE Exist lowering "TRACECA" coefficients	AGREE	No information	Issue under consideration	AGREE	Issue under consideration	Issue under consideration	Issue under consideration	Applied 50% for road transit, preferential tariffs at Termez-Hayraton
7. To not apply all kind of custom deposits for all goods	Issue under consideration	AGREE	AGREE Except truck haulage	AGREE	Disaffirmation is in the competence of Government	AGREE	No information	Issue under consideration	Issue under consideration	Issue under consideration	Issue under consideration	In the competence of Cabinet of Ministers	Issue under consideration
8. To apply VAT zero rate for the railway services for international and transit transport, including forwarding, charging, discharging and storage	Issue under consideration	AGREE	AGREE Is not present VAT	DISAGREE The budget will incur the loss	Issue under consideration	AGREE applying to international transportations	No information	Issue under consideration	Issue under consideration	Issue under consideration	Issue under consideration	AGREE Is applied to transit transportations	Freed from at Termez to st. Hayraton
9. Free of charge issue and in the simplified mode the visa sanctions accompanying of humanitarian goods	Issue under consideration	AGREE	AGREE Concerning the natural persons accompanying goods	AGREE to give out in the simplified mode, but not free-of-charge	Issue under consideration	AGREE	No information	AGREE	AGREE (MinTrans)	Issue under consideration	AGREE	Issue under consideration	Issue under consideration
10. To define responsible for safety and safety of humanitarian goods	Issue under consideration	AGREE	Issue under consideration	AGREE	Issue under consideration	AGREE	No information	Issue under consideration	AGREE	Issue under consideration	Issue under consideration	Issue under consideration	Issue under consideration



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3. It has been recommended: for the railway administrations of Azerbaijan, Georgia, Kazakhstan, Uzbekistan, Ukraine, Turkmenistan, the Azerbaijan Caspian Shipping Company, Ukrferry Shipping Company, as well as the sea ports of Batumi, Poti, Baku, Turkmenbashi and Aktau to hold till the end of January, 2002 in the Permanent Secretariat IGC TRACECA the meeting of authorized experts-representatives on tariff policy of the above-mentioned agencies for the discussion of possible introduction of a common combined through rate on the basis of parity preferences (taking into account the issues 4, 6, 8 of this project of proposals) for the traffic of humanitarian goods and construction materials in the line of Afghanistan.



Working Group of plenipotentiary representatives (tariff policy experts) of the Railways, Sea ports and Shipping companies of the transport corridor Europe-Caucasus-Asia “TRACECA” was held on 14-15 February 2002 in Baku in the Permanent Secretariat office of the IGC TRACECA

The following decisions were made during this Working Group Meeting:



RAILWAYS:

From 01.03.2002 to 31.12.2002 the rates on transit traffic of goods in containers is to be defined with additional “TRACECA Coefficient”:

- **“Georgian Railway” - 0,5**
- **Azerbaijan State Railway – 0,5**
- **“Uzbekiston Temir Yullari” - 0,9**
- **“Kazakhstan Temir Zholi” in the following directions:**
 - Aktau Port – Druzhba st. - 0,5*
 - Aktau Port – Beyneu st. - 0,7*
 - Aktau Port – Chengeldi st. - 0,7*
- **Tajikistan Railway – 0,8**
- **“Ukrzaliznytsya”- 0,61**

From 01.03.2002 to 31.12.2002 for the rates on transit traffic of goods in containers :

- **“Georgian Railway” – increasing coefficient 1,2 is not applied**
- **“Turkmendemirellari” - increasing coefficient 1,2 is not applied**



SEA PORTS:

From 01.03.2002 to 31.12.2002 the following discounts have to be applied:

-International Sea Trade Port of Baku –

For tariffs on freight operation for transit goods in containers to Afghanistan – 20 %;

- Batumi Sea Trade Port –

For tariffs on freight operation for transit goods in containers to Afghanistan – 20 %.



SHIPPING COMPANIES:

From 01.03.2002 to 31.12.2002

- Azerbaijan State Caspian Shipping Company (CASPAR) –

For transportation of empty wagons, involved in humanitarian goods and construction materials traffic for Afghanistan, 50 % discount to the existing tariff is to be applied;

- SC “Ukrferry” –

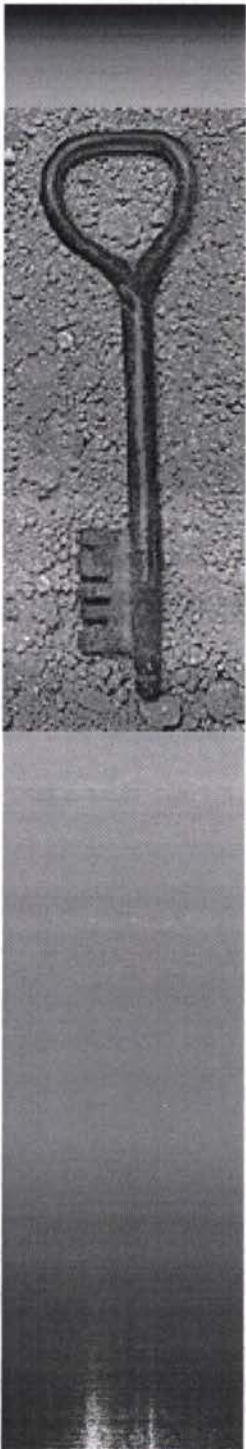
For transportation of empty wagons, involved in humanitarian goods and construction materials traffic for Afghanistan, 30 % discount to the existing tariff is to be applied.

Comparative table of the existing tariffs for goods transport in containers along the alternative routes to Serkhetabad station (Turkmenistan)/ Turgundi station (Afghanistan) in TEU ($\pm 5\%$) on FOR st. – FOR st. conditions

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Serkhetabad	Beyneu-Gazojak	4921	2210
2	Brest	Serkhetabad	Beyneu-Gazojak	4732	2280
3	Novorossiysk	Serkhetabad	Beyneu-Gazojak	3578	1991
4	Poti/Batumi	Serkhetabad	Baku-Turkmenbashi	2390	1873
5	Bandar-Abbas	Serkhetabad	Serahs-Mary	2964	1406

**Comparative table of the tariffs for goods transport
in containers along the alternative routes to Serkhetabad
station (Turkmenistan)/ Turgundi station (Afghanistan) in
TEU with application of “TRACECA Coefficient” ($\pm 5\%$)
on FOR st. – FOR st. conditions**

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Serkhetabad	Beyneu-Gazojak	4921	2210
2	Brest	Serkhetabad	Beyneu-Gazojak	4732	2280
3	Novorossiysk	Serkhetabad	Beyneu-Gazojak	3578	1991
4	Poti/Batumi	Serkhetabad	Baku- Turkmenbashi	2390	1473
5	Bandar-Abbas	Serkhetabad	Serahs- Mary	2964	1406



Existing railway tariffs for general cargo transportation ($\pm 3-5\%$)

(port of Baku – port of Turkmenbashi)

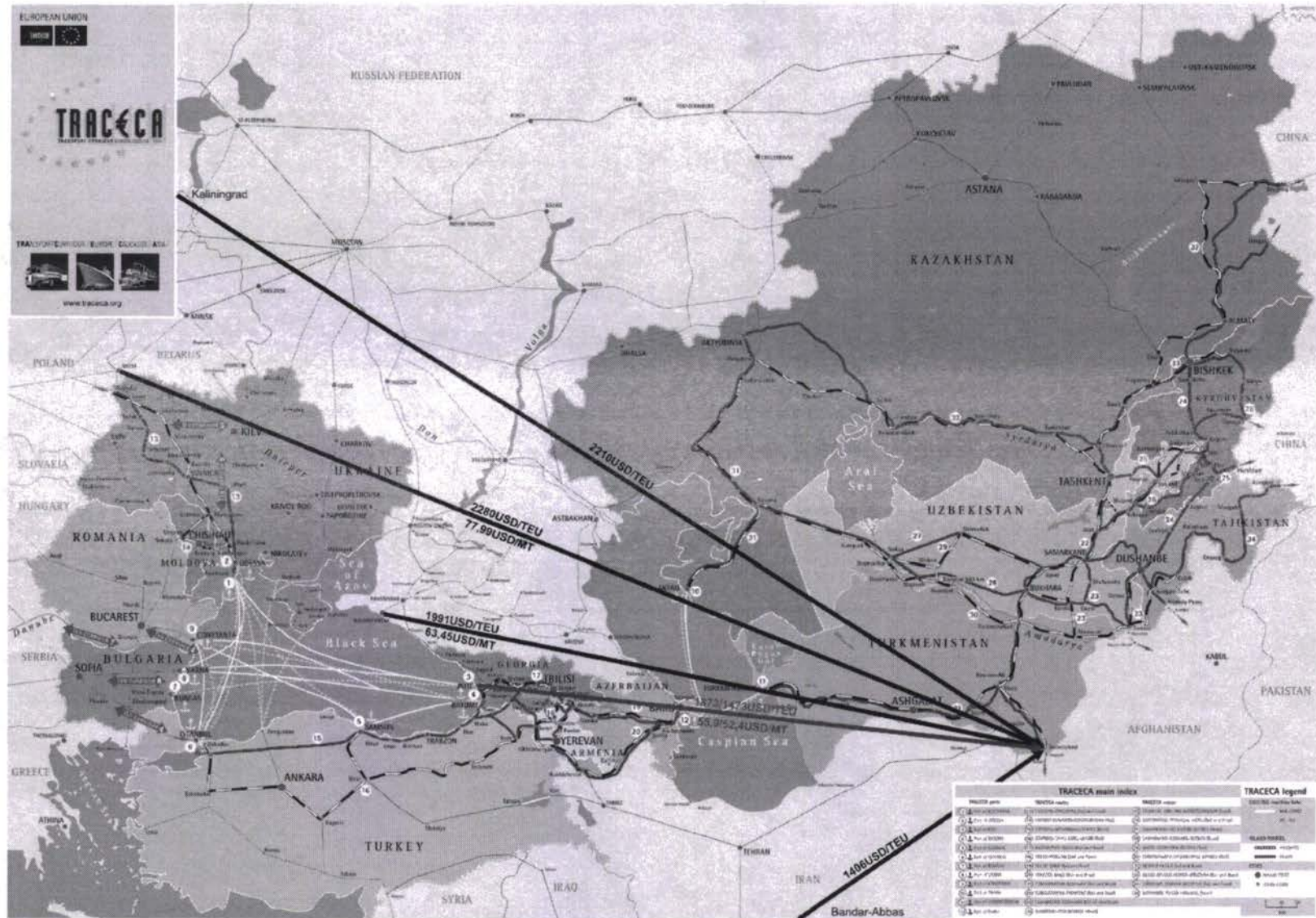
FOR Poti st. - FOR st. Serkhetabad – Exp.	55,9 USD/MT
FOR st. Brest - FOR st. Serkhetabad – Exp.	77,99 USD/MT
FOR st. Novorossiysk - FOR st. Serkhetabad – Exp.	63,45 USD/MT

After application of «TRACECA Coefficients»

(i. 5 of the Protocol of the Working Meeting of authorized representatives (Experts for tariff policy) of the railways, sea ports and shipping companies of the transport corridor Europe-the Caucasus-Asia, Baku, 15 February 2002)

FOR st. Poti - FOR st. Serkhetabad – Exp.	52,4 USD/MT
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Note: the given-above railway tariffs are designed for the transportation of flour (sugar, grain, soy, etc.) in universal wagons of maximum capacity in accordance with the tariff policy of the Railways of the CIS member states for the year of 2002. (transportation from the third countries to the third ones).

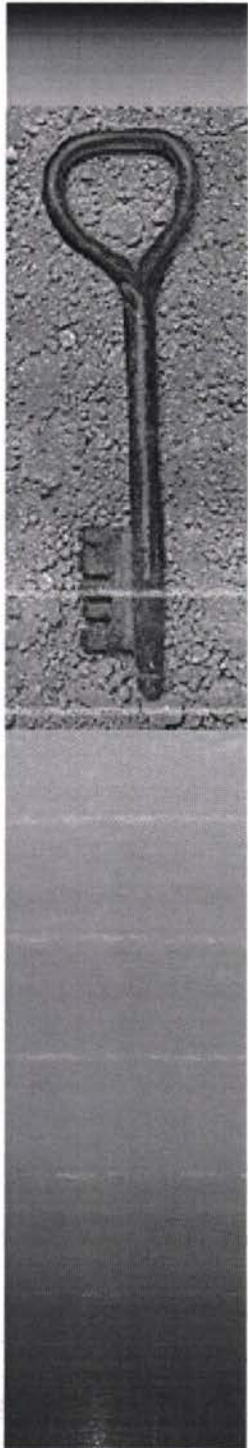


1873 USD/TEU - 1473 USD/TEU = 400 USD/TEU

55,9 USD/MT - 52,4 USD/MT = 3,5 USD/MT

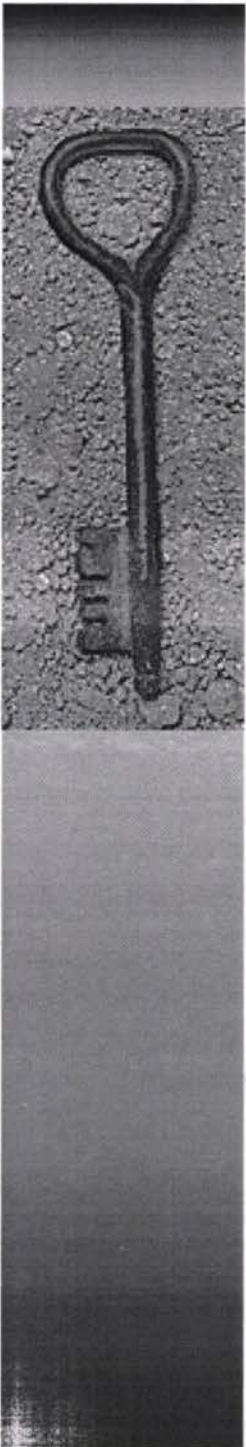
Comparative table of the existing tariffs for goods transport in containers along the alternative routes to Termez station (Uzbekistan)/ Hayraton station (Afghanistan) in TEU ($\pm 5\%$) on FOR st. – FOR st. conditions

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Termez	Beyneu-Gazojak	5142	1811
2	Brest	Termez	Beyneu-Gazojak	4953	1883
3	Novorossiysk	Termez	Beyneu-Gazojak	3799	1614
4	Poti/Batumi	Termez	Baku-Turkmenbashi	2934	1867
5	Bandar-Abbas	Termez	Serahs-Mary	3508	1483



Comparative table of the tariffs for goods transport in containers along the alternative routes to Termez station (Uzbekistan)/Hayraton station (Afghanistan) in TEU with application of “TRACECA Coefficient” ($\pm 5\%$) on FOR st. – FOR st. conditions

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Termez	Beyneu-Gazojak	5142	1811
2	Brest	Termez	Beyneu-Gazojak	4953	1883
3	Novorossiysk	Termez	Beyneu-Gazojak	3799	1614
4	Poti/Batumi	Termez	Baku-Turkmenbashi	2934	1447
5	Bandar-Abbas	Termez	Serahs-Mary	3508	1483



Existing railway tariffs for general cargo transportation ($\pm 3-5\%$)

(port of Baku – port of Turkmenbashi)

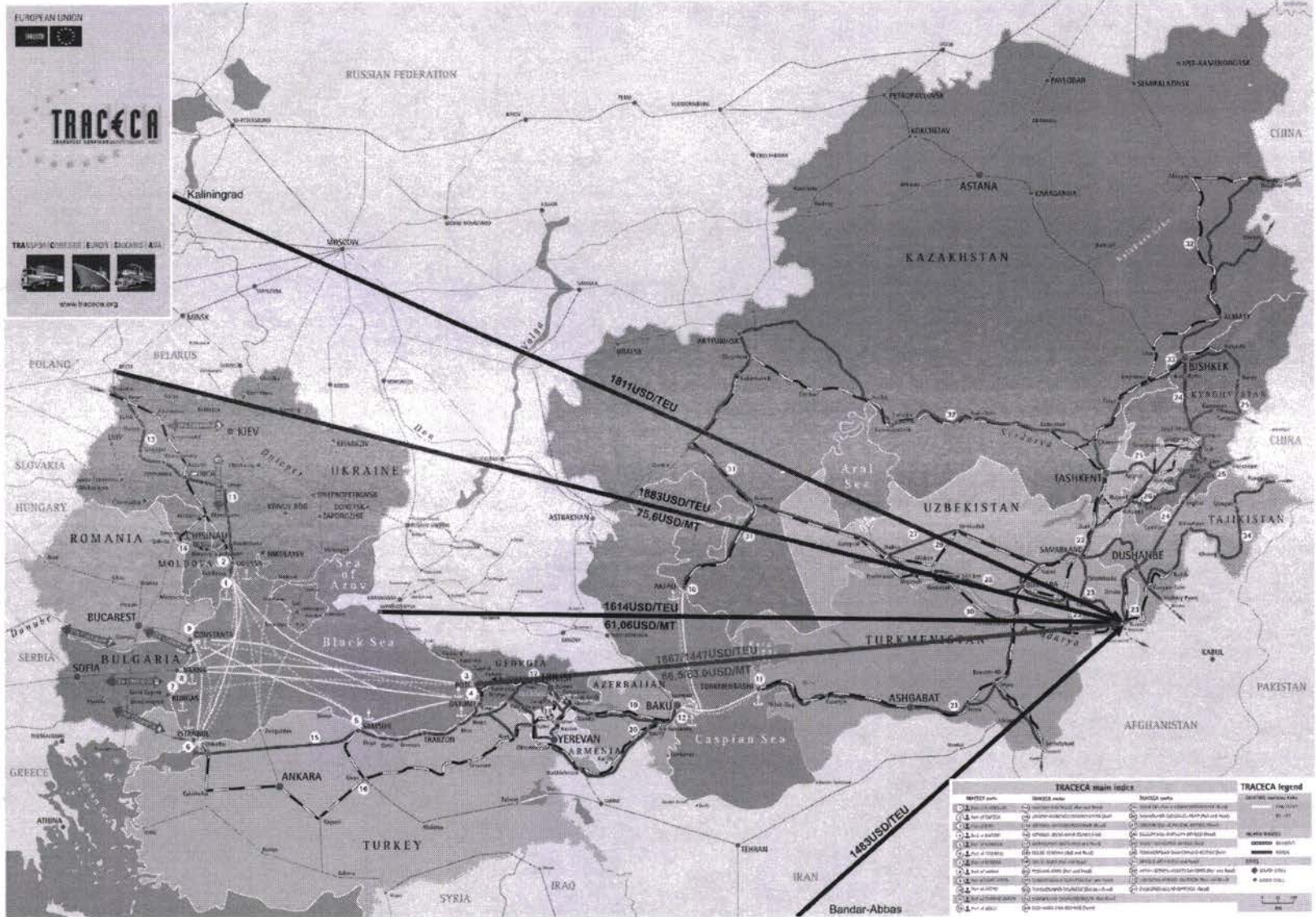
FOR st. Poti - FOR st. Termez – Exp.	66,5 USD/MT
FOR st. Brest - FOR st. Termez – Exp.	75,6 USD/MT
FOR st. Novorossiysk - FOR st. Termez – Exp.	61,06 USD/MT

Having applied «TRACECA Coefficients»

(i. 5 of the Protocol of the Working Group Meeting of authorized representatives (tariff policy experts) on the railways, sea ports and shipping companies of the transport corridor Europe-the Caucasus-Asia. Baku, 15 February 2002)

FOR st. Poti - FOR st. Termez – Exp.	63,0 USD/MT
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Note: the given-above tariffs are designed for the transportation of flour, (sugar, grain, soy, etc.) by universal wagons with the maximum capacity in accordance with the Railways tariff policy of the CIS member-states for the year of 2002 (Transportation from the third countries to the third ones)



1867 USD/TEU - 1447 USD/TEU = 420 USD/TEU

66,5 USD/MT - 63,0 USD/MT = 3,5 USD/MT

Comparative table of the existing tariffs for goods transport in containers along the alternative routes to Kurgan-Tube station (Tajikistan)/Kunduz station (Afghanistan) in TEU ($\pm 5\%$)* on FOR st. – FOR st. conditions

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Kurgan-Tube	Beyneu-Gazojak	5348	1151
2	Brest	Kurgan-Tube	Beyneu-Gazojak	5159	1254
3	Novorossiysk	Kurgan-Tube	Beyneu-Gazojak	4005	995 **
4	Poti/Batumi	Kurgan-Tube	Baku-Turkmenbashi	2830	1519
5	Bandar-Abbas	Kurgan-Tube	Serahs-Mary	3714	1167

* Tariffs are calculated from 3 countries to CIS

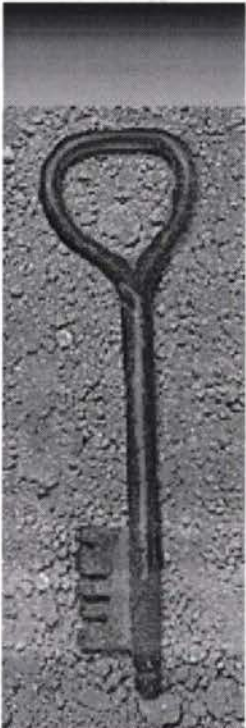
** Dumping tariff rate (UN ESCAP)

Comparative table of the tariffs for goods transport in containers along the alternative routes to Kurgan-Tube station (Tajikistan)/Kunduz station (Afghanistan) in TEU with application of “TRACECA Coefficient” ($\pm 5\%$) on FOR st. – FOR st. conditions

№	From	To	Route (through)	Distance (in km)	Tariff (in USD)
1	Kalinigrad	Kurgan-Tube	Beyneu-Gazojak	5348	1151
2	Brest	Kurgan-Tube	Beyneu-Gazojak	5159	1254
3	Novorossiysk	Kurgan-Tube	Beyneu-Gazojak	4005	995 *
4	Poti/Batumi	Kurgan-Tube	Baku-Turkmenbashi	2830	1084
5	Bandar-Abbas	Kurgan-Tube	Serahs-Mary	3714	1167

* Tariffs are calculated from 3 countries to CIS

** Dumping tariff rate (UN ESCAP)



Existing railway tariffs for general cargo transportation ($\pm 3-5\%$)

(port of Baku – port of Turkmenbashi)

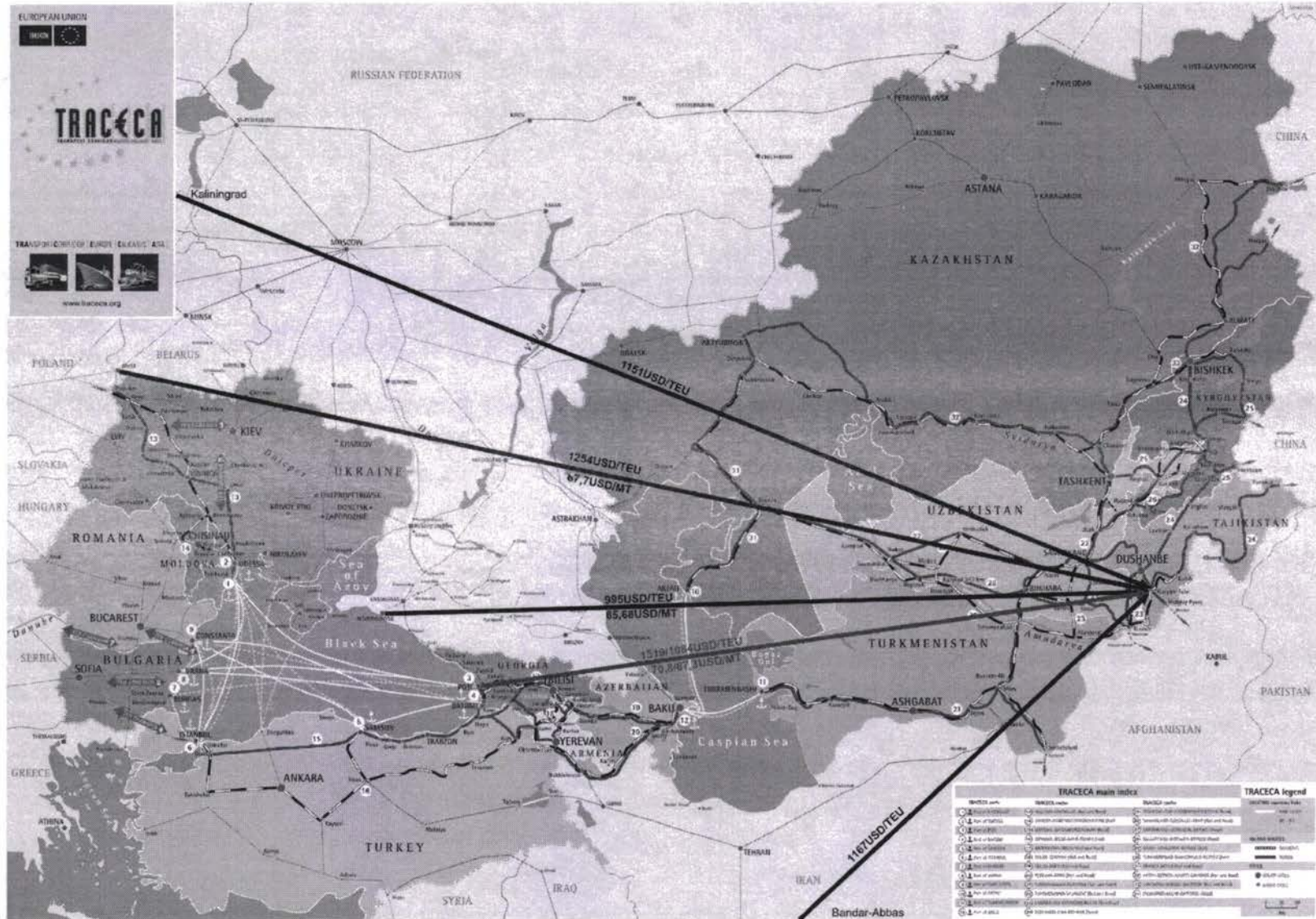
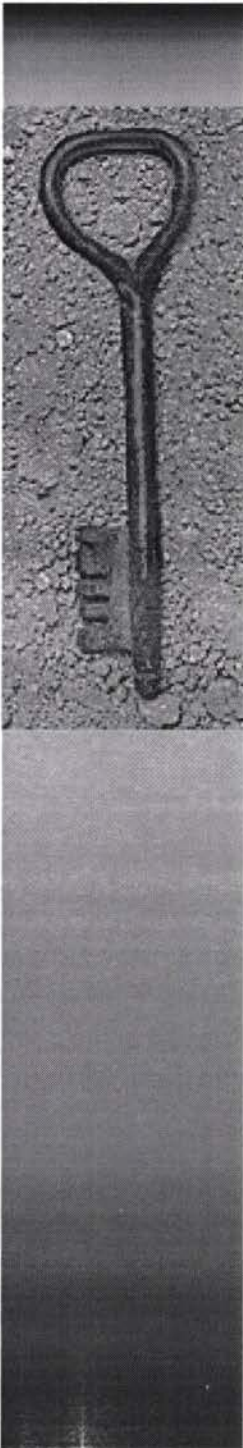
FOR st. Poti - FOR st. Kurgan-Tube	70,8 USD/MT
FOR st. Brest - FOR st. Kurgan-Tube	67,7 USD/MT
FOR st. Novorossiysk - FOR st. Kurgan -Tube	65,68 USD/MT

Having applied «TRACECA Coefficients»

(i. 5 of the Protocol of the Working Group Meeting of the authorized representatives (railway policy experts) of the railways, sea ports and shipping companies of the transport corridor Europe-the Caucasus-Asia, Baku, 15 February 2002)

FOR st. Poti - FOR st. Kurgan-Tube	67,3 USD/MT
---	--------------------

Note: the given-above tariffs are designed for the transportation of flour (sugar, grain, soy etc.) by universal wagons with maximum capacity in accordance with tariff policy of the Railways of the CIS member-states for the year of 2002 (Transportation fro the third countries to the CIS countries)



1519 USD/TEU - 1084 USD/TEU = 435 USD/TEU

70,8 USD/MT - 67,3 USD/MT = 3,5 USD/MT



**Consolidated tariff for the transportation of containers
(± 5-10%) and general cargo in the line of Afghanistan
(Serketabad/Turgundi) before and after application of
“TRACECA Coefficients” along the route:**

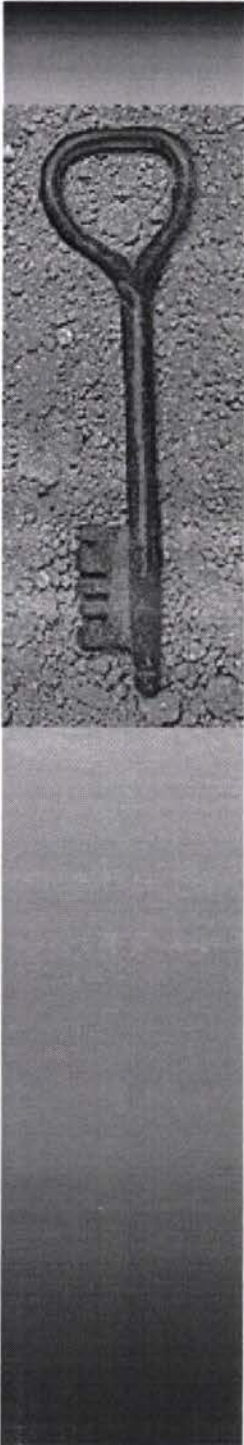
**Yagodin, Mostisca (the Ukrainian border/Poland), Chop (the
Ukrainian border/Slovakia/Hungary) – Serketabad
*(ferry communication Ilyichevsk – Poti, Baku – Turkmenbashi)***

For container transportations :

Before introduction of «TRACECA Coefficients» -	2735USD/TEU
After application of «TRACECA Coefficients» -	1970 USD/TEU

For general cargo transportations :

Before introduction of «TRACECA Coefficients» -	77,2 USD/MT
After application of «TRACECA Coefficients» -	67,0 USD/MT



**Consolidated tariff for containers transportation
(± 5-10%) and general cargo to Afghanistan
(Termez/Hayraton) before and after application of
«TRACECA coefficients» along the route :**

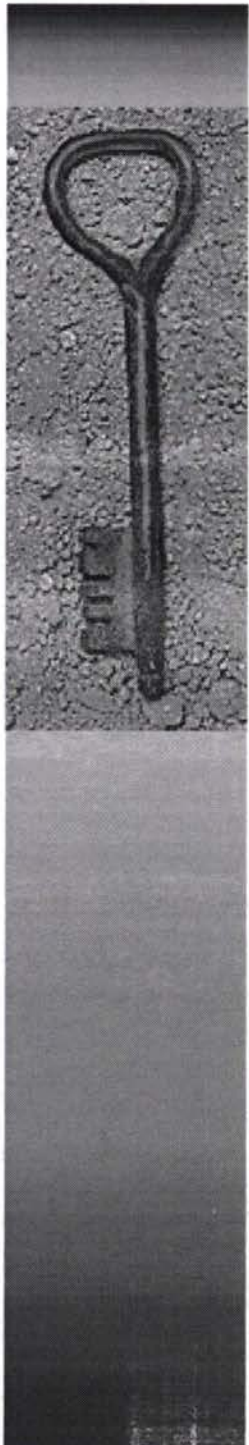
**Yagodin , Mostisca (the Ukrainian border /Poland), Chop (the
Ukrainian border /Slovakia/Hungary) – Termez**
(ferry communications Ilyichevsk – Poti, Baku – Turkmenbashi)

For container transportations:

Before introduction of «TRACECA Coefficients» -	2950 USD/TEU
After application of «TRACECA Coefficients» -	2165 USD/TEU

For general cargo transportations

Before introduction of «TRACECA Coefficients» -	87,8 USD/MT
After application of «TRACECA Coefficients» -	77,6 USD/MT



**Consolidated tariff for containers transportations
(± 5-10%) and general cargo to Afghanistan (Kurgan-
Tube/Kunduz) before and after application of
«TRACECA Coefficients» along the route:**

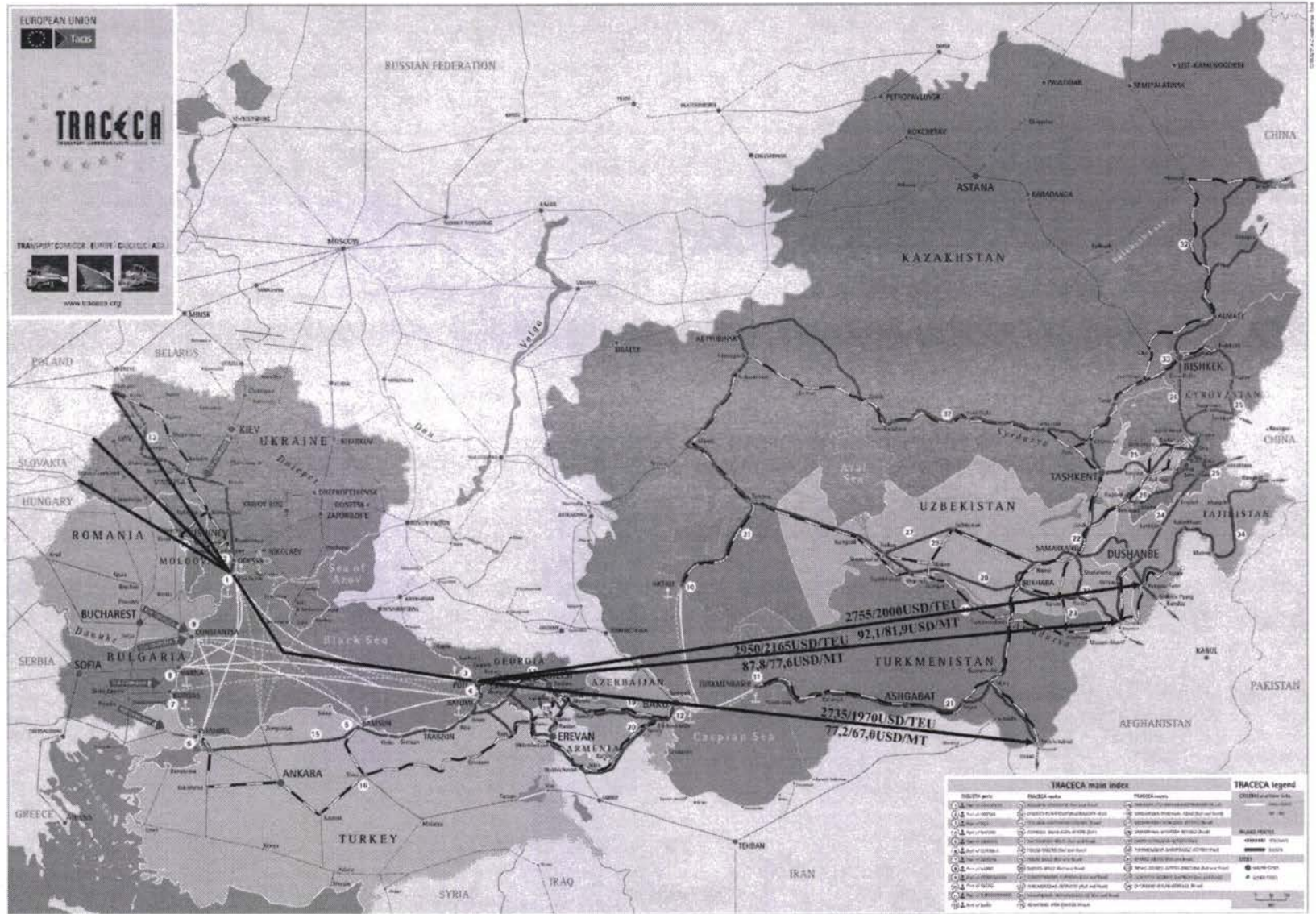
**Yagodin, Mostisca (the Ukrainian border /Poland), Chop (the
Ukrainian border /Slovakia /Hungary) – Kurgan-Tyube
*(ferry communications Ilyichevsk – Poti, Baku – Turkmenbashi)***

For container transportations :

Before introduction of «TRACECA Coefficients» -	2755 USD/TEU
After application of «TRACECA Coefficients» -	2000 USD/TEU

For general cargo transportations :

Before introduction of «TRACECA Coefficients» -	92,1 USD/MT
After application of «TRACECA Coefficients» -	81,9 USD/MT





**Consolidated tariff for containers transportations
(± 5-10%) and general cargo to Afghanistan
(Serkhetabad/Turgundi) before and after application of
«TRACECA Coefficients» along the route:**

Varna/Ilyichevsk – Serkhetabad

(ferry communications Ilyichevsk – Poti, Baku – Turkmenbashi)

For container transportations:

Before introduction of «TRACECA Coefficients» -	2180 USD/TEU
After application of «TRACECA Coefficients» -	1595 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	76,9 USD/MT
After application of «TRACECA Coefficients» -	66,7 USD/MT



**Consolidated tariff for container transportations
(± 5-10%) and general cargo to Afganistan
(Termez/Hayraton) before and after application of
«TRACECA Coefficients» along the route:**

Varna/Ilyichevsk – Termez


(ferry communications Ilyichevsk – Poti, Baku – Turkmenbashi)

For container transportations:

Before introduction of «TRACECA Coefficients» -	2395 USD/TEU
After application of «TRACECA Coefficients» -	1790 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	87,5 USD/MT
После применения «Коэффициентов TRACECA» -	77,3 USD/MT



**Consolidated tariff for containers transportations
(± 5-10%) and general cargo to Afghanistan (Kurgan-
Tube/Kunduz) before and after application of
«TRACECA Coefficients» along the route:**

Varna/Ilyichevsk – Kurgan-Tube

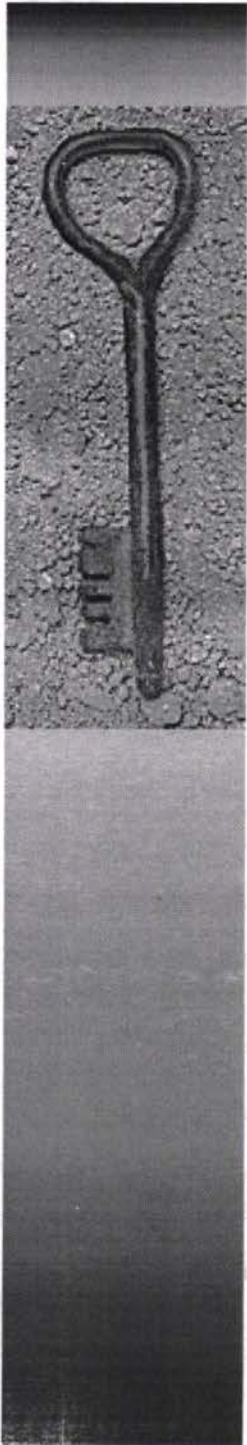
(ferry communications Ilyichevsk – Poti, Baku – Turkmenbashi)

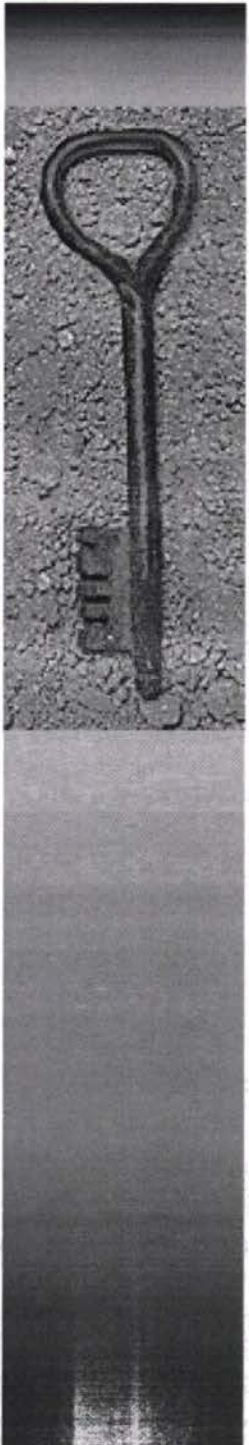
For container transportations:

Before introduction of «TRACECA Coefficients» -	2200 USD/TEU
After application of «TRACECA Coefficients» -	1625 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	91,8 USD/MT
After application of «TRACECA Coefficients» -	81,6 USD/MT





**Consolidated tariff for containers transportations
(± 5-10%) and general cargo to Afghanistan
(Serketabad/Turgundi) before and after application of
«TRACECA Coefficients» along the route:**

Constantsa - Sekhetabad

(ferry communications Constantsa - Batumi, Baku – Turkmenbashi)

For container transportations:

Before introduction of «TRACECA Coefficients» -	1930 USD/TEU
After application of «TRACECA Coefficients» -	1545 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	69,2 USD/MT
After application of «TRACECA Coefficients» -	65,8 USD/MT



**Consolidated tariff for container transportations
(± 5-10%) and general cargo to Afganistan
(Termez/Hayraton) before and after application of
«TRACECA Coefficients» along the route:**

Constantsa - Termez

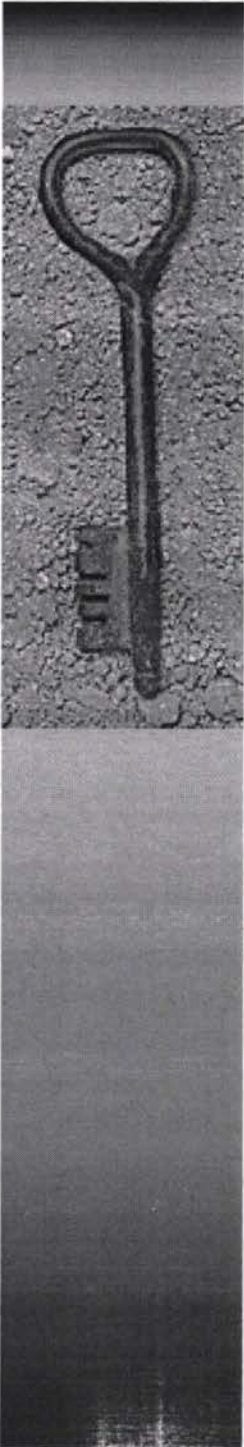
(ferry communications Constantsa - Batumi, Baku – Turkmenbashi)

For container transportations:

Before introduction of «TRACECA Coefficients» -	2145 USD/TEU
After application of «TRACECA Coefficients» -	1740 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	79,8 USD/MT
After application of «TRACECA Coefficients» -	76,3 USD/MT



**Consolidated tariff for containers transportations
(± 5-10%) and general cargo to Afghanistan (Kurgan-
Tube/Kunduz) before and after application of
«TRACECA Coefficients» along the route:**

Constantsa – Kurgan-Tube

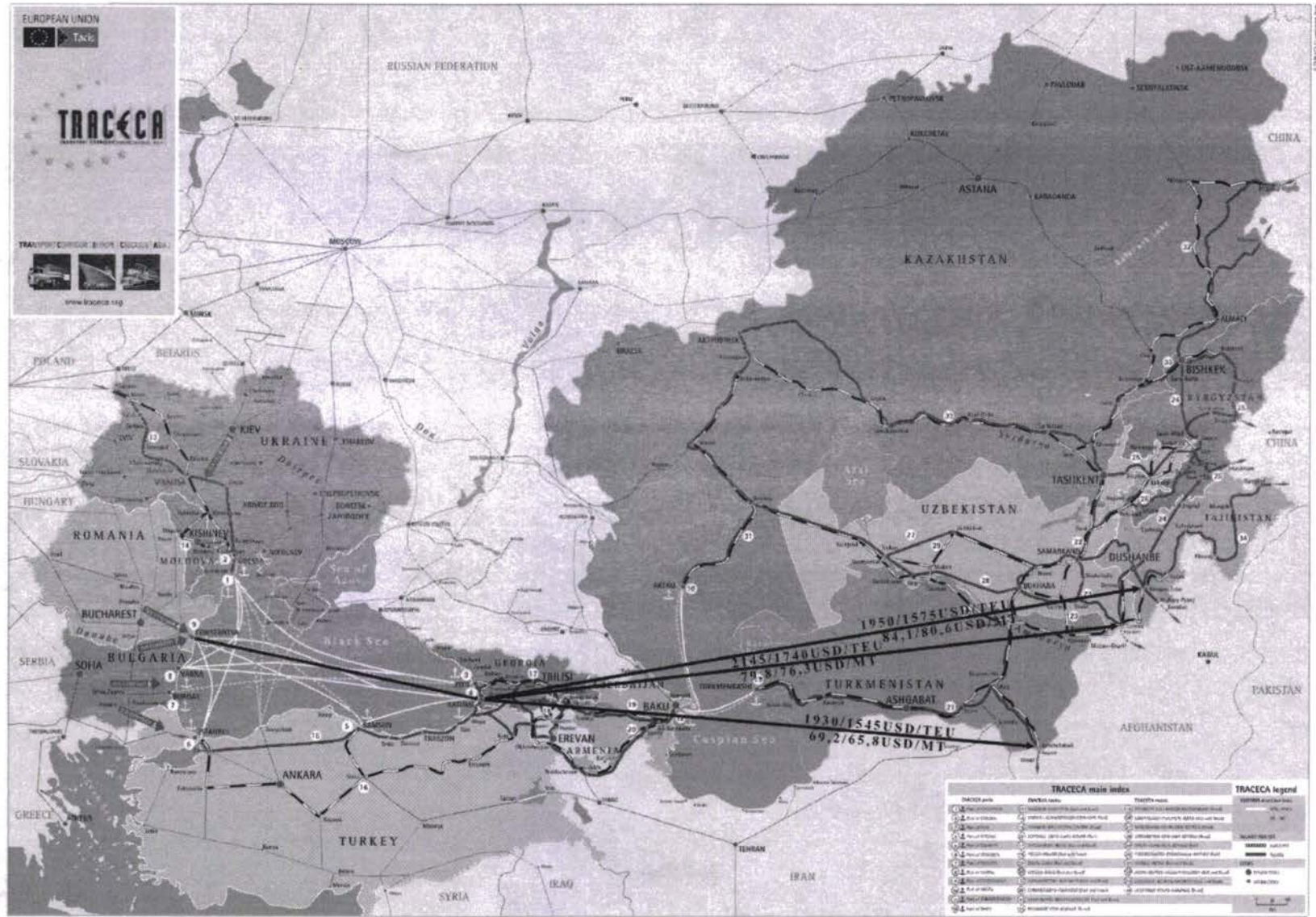
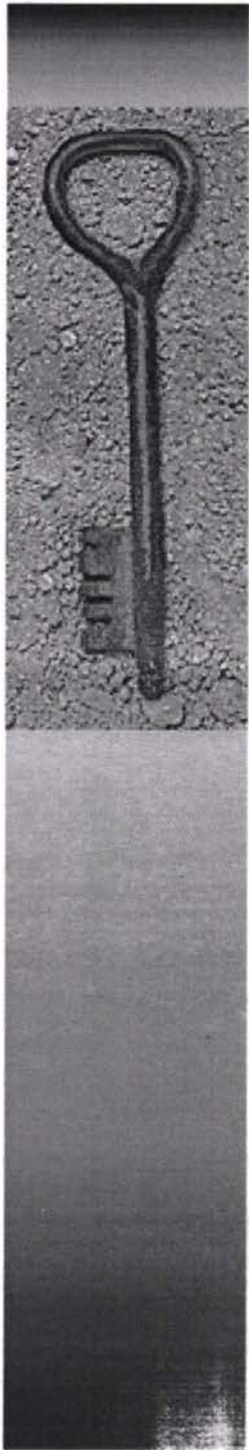
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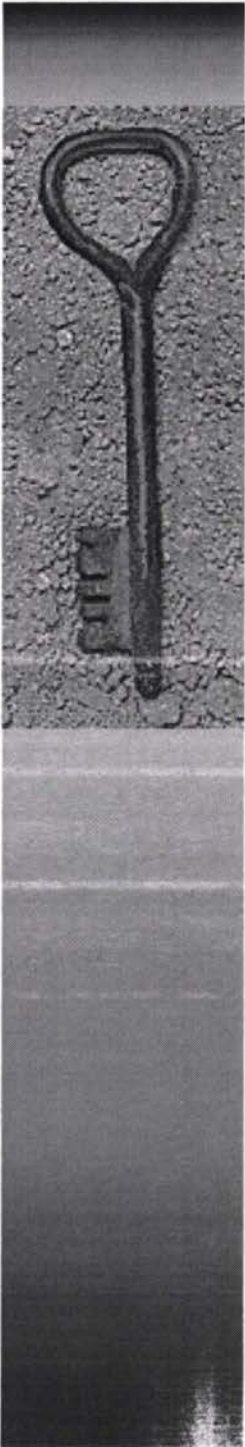
For container transportations:

Before introduction of «TRACECA Coefficients» -	1950 USD/TEU
After application of «TRACECA Coefficients» -	1575 USD/TEU

For general cargo transportations:

Before introduction of «TRACECA Coefficients» -	84,1 USD/MT
After application of «TRACECA Coefficients» -	80,6 USD/MT

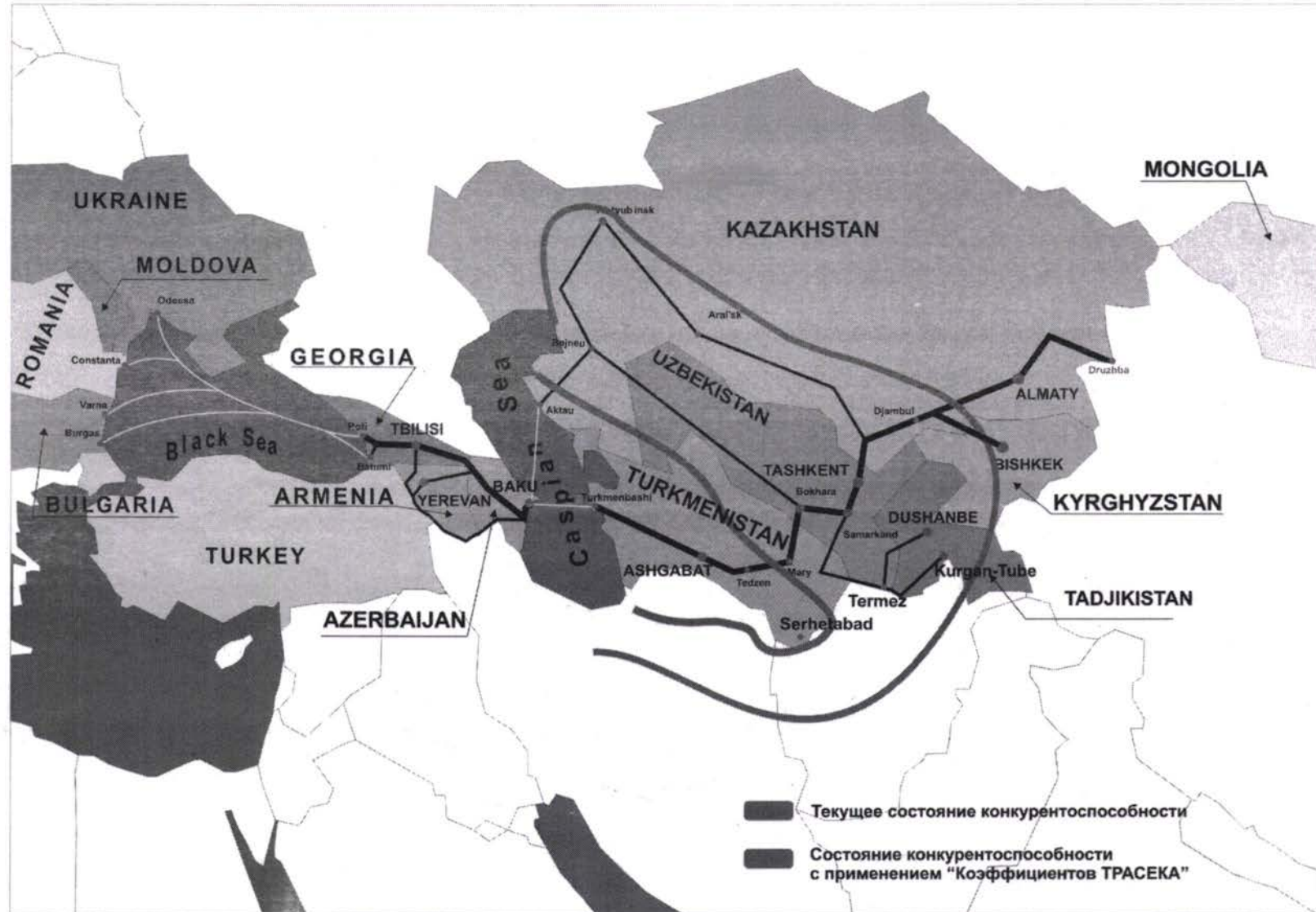
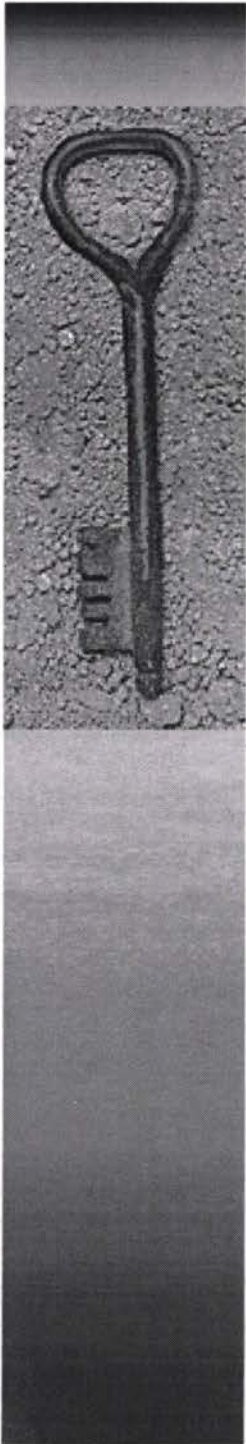


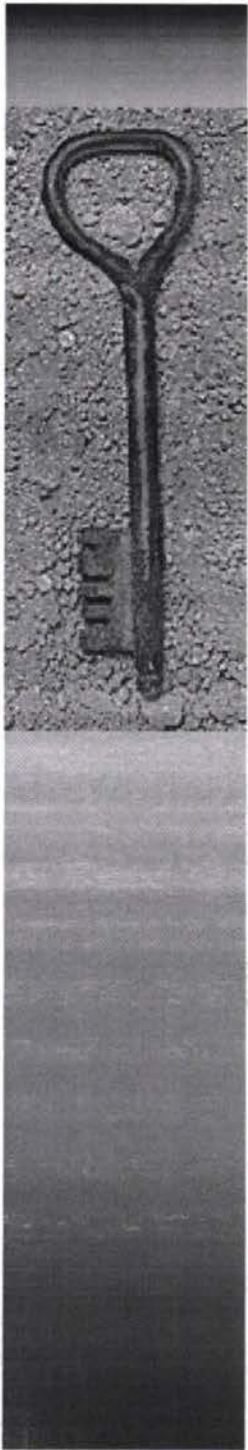


Approximate terms of containers and general cargo delivery along the routes of TRACECA

Poti st. – Serkhetabad st.:	5-7 days
Poti st. – Termez st.:	7-9 days
Poti st. – Kurgan-Tube st.:	9-10 days

Approximate areas of competitiveness of container transportations and general cargo transportations before and after application of «TRACECA Coefficients»

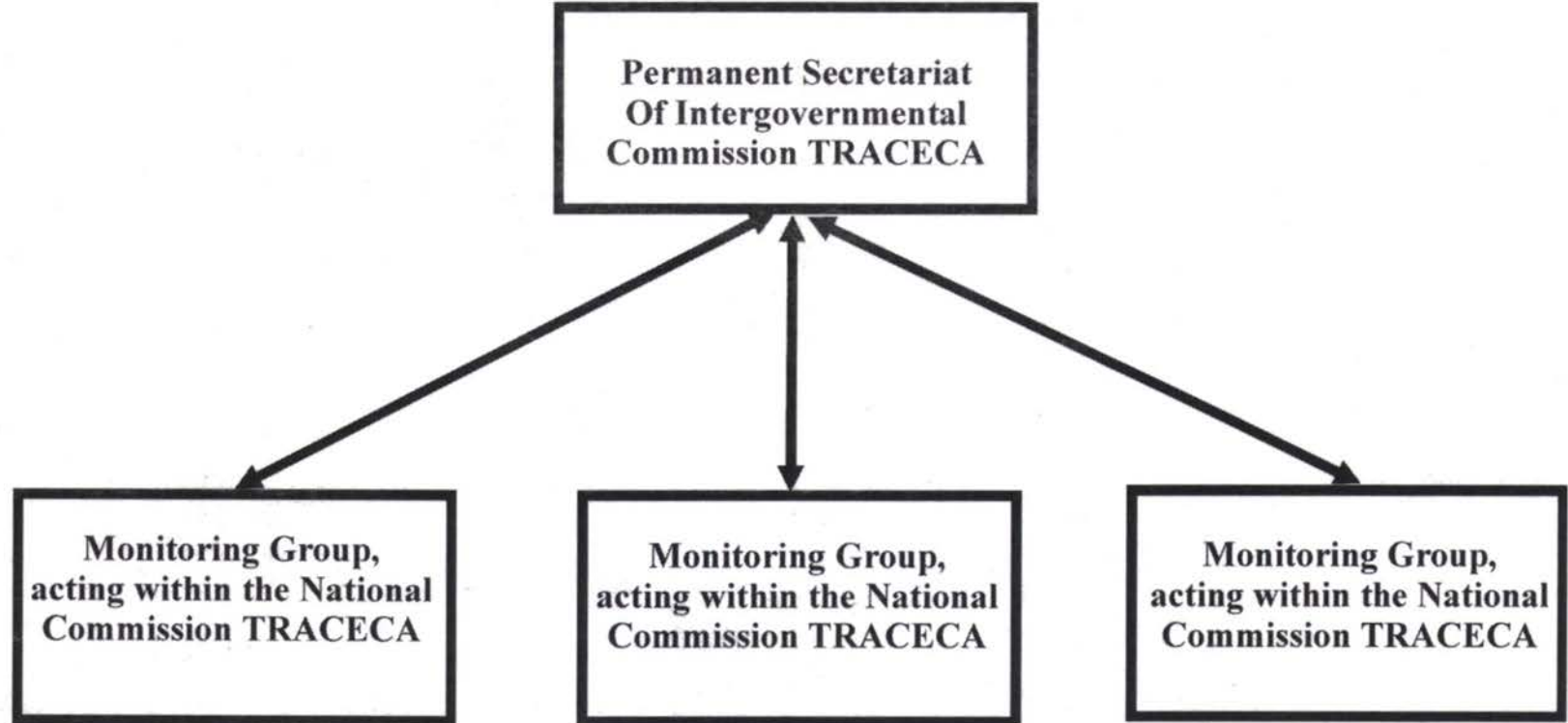




**PROPOSAL ON COOPERATION
WITH INTERGOVERNMENTAL COMMISSION “TRACECA”
FOR THE PURPOSES OF CREATION OF THE MOST FAVORABLE
CONDITIONS FOR TRANSPORTATION OF HUMANITARIAN GOODS
AND RECONSTRUCTION MATERIALS
WITHIN THE TRACECA CORRIDOR,
IN TRANSIT TO AFGHANISTAN**

10. It has been recommended to the Heads of the National Delegations to the IGC TRACECA, the National Commissions in TRACECA countries to define the corresponding organizations and agencies (in this case the question on the efficiency of the special structures creation under the National Commissions can be considered) which in cooperation with the TRACECA National Secretariats in the TRACECA countries and the PS IGC TRACECA will perform registration and monitoring of transit traffic of humanitarian goods and construction materials in the line of Afghanistan for the purpose of creation of the security and safety conditions during their transportation.

Monitoring system proposed by the
Permanent Secretariat IGC TRACECA and
approved by the Parties to the Basic
Multilateral Agreement



Permanent Secretariat IGC TRACECA

Zviad Kvchantiradze – Secretary General PS IGC TRACECA

Marc Graille - TRACECA programme Coordinator
in the Caucasus, Supervisor of the PS

Bodo Rossig - TRACECA programme Coordinator
in Central Asia

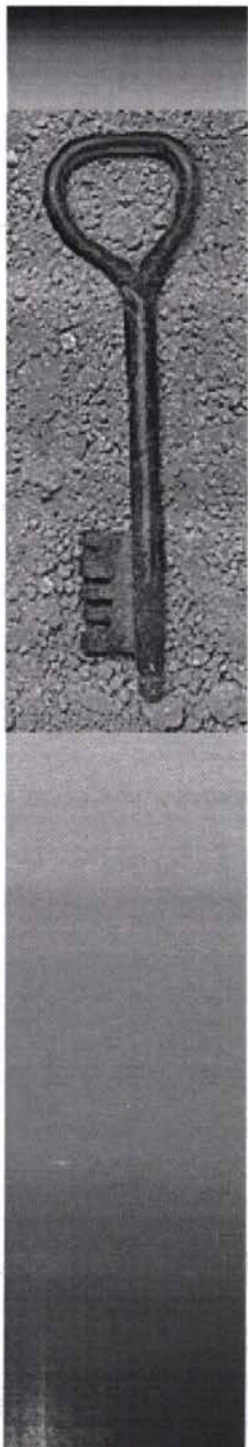
Address: 370000 Azerbaijan, city of Baku,
General Aliyarbekov str. 8/2

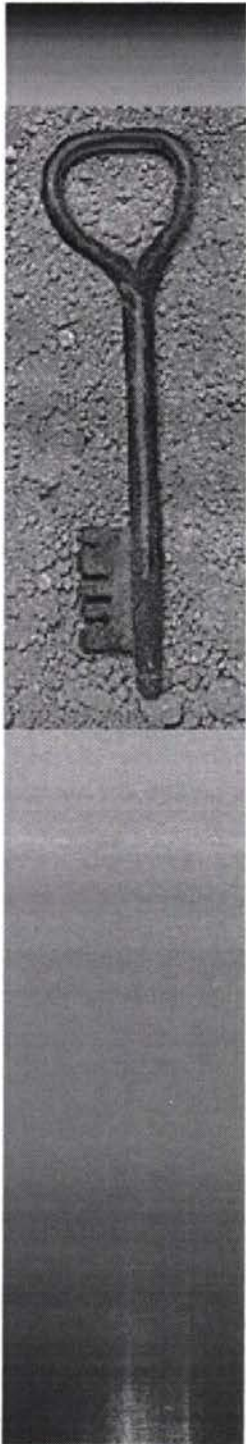
Tel: +(994 12) 98-27-18, 98-92-34

Fax: +(994 12) 98-64-26

E-mail: igc@traceca.baku.az

Web-site: www.traceca.org





Monitoring Group in Azerbaijan

Akif Mustafayev – National Secretary of Azerbaijan in the
IGC TRACECA, Head of the Group

Tel: +(99412) 93-37-76

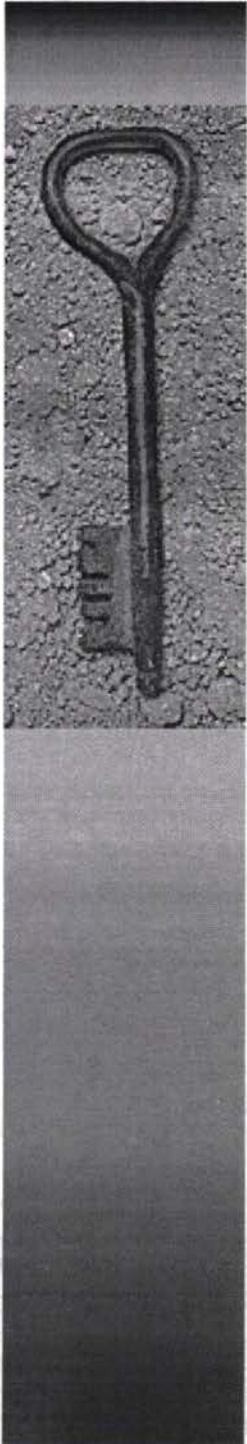
Fax: +(99412) 93-37-76

Aydyn Mamedov – Deputy head of transport department of
Cabinet of Ministries

Tel: +(99412) 92-54-25

Fax: +(99412) 92-40-70

(totally 7 authorized officials)



Monitoring Group in Moldova

Iovv Vasiliy – First Deputy Prime Minister (Cochairman of TRACECA Commission), Head of the Group

Tel: +(3732) 25-01-41

Fax: +(3732) 24-26-96

Teleman Vyacheslav – National Secretary of Moldova in the IGC TRACECA

Tel/Fax: +(3732) 21-39-81

(totally 6 authorized officials)



Monitoring Group in Ukraine

Demidenko Arkadiy – Deputy State Secretary of the Ministry
of Transport, Head of the group

Tel: +(38044) 226-22- 66

Tertyshnik Yuriy – National Secretary of Ukraine in the
IGC TRACECA

Tel: +(38044) 268-13-74

Fax: +(38044) 250-96-83

(totally 10 authorized officials)



Monitoring List of humanitarian aid and construction materials
delivered along the transport corridor Europe-Caucasus-Asia
“TRACECA” to Afghanistan

To : National Secretary _____
IGC TRACECA
To : Secretary of Monitoring Group
National Commission TRACECA _____

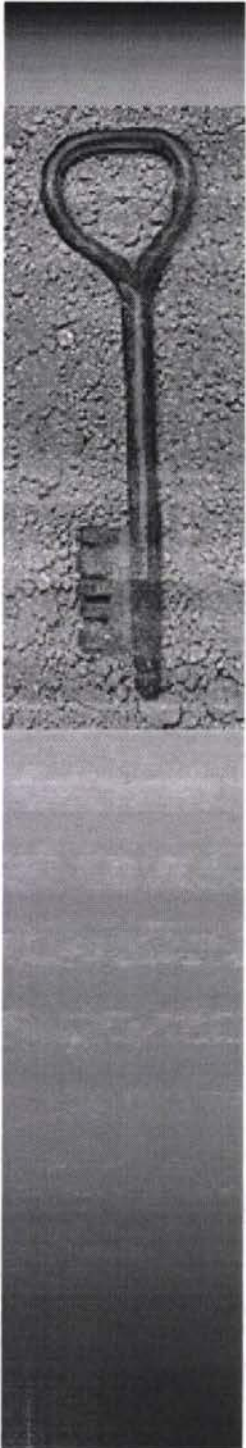
Herewith we are informing you that our institution starts / performs transportation of humanitarian aid to Afghanistan along the route _____

Donor institution _____
Transport institution
performing operation _____
Shipper _____
Consignee _____
Destination address _____
Mode of transport _____
Name of goods _____
Packing type _____
Quantity of goods (gross, net) _____
Exceptional conditions and goods properties _____
Approximate time _____
And point of arrival _____

Date and place of completion _____

Signature of transport institution or his authorized
legal entity _____

P.S. This application should be attached with a copy of accompanying document for cargo and copy of the contract (except its financial part constituting a commercial classified information) for the transportation of the cargo mentioned above.



SECOND ANNUAL MEETING

**of the INTERGOVERNMENTAL COMMISSION «TRACECA»
ALONG THE TRANSPORT CORRIDOR
EUROPE – CAUCASUS – ASIA**

On 24-26 April, 2002 in Tashkent, Uzbekistan) there will take place the Second Annual Meeting of the IGC TRACECA with the participation of authorized representatives of the Parties to the Basic Multilateral Agreement which at the governmental level will approve the application of «TRACECA Coefficients» for the transportation of humanitarian goods and reconstruction materials to Afghanistan and the monitoring groups in all the countries-participants of the TRACECA programme.