



**Organization for Security and Co-operation in Europe
Secretariat**

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Conference Services

Please find attached the power point presentation by Ms. Kristal E. Alley, Special Advisor, International Division, United States Chamber of Commerce, delivered to the Session I (*Transport development to enhance regional economic co-operation and stability; the special case of landlocked countries: the Almaty Programme of Action addressing the special needs of Landlocked Developing Countries (LLDC's) and the OSCE contribution within this framework*), of the 14th OSCE Economic Forum, Part 2, Prague, 22-24 May 2006.



14th OSCE Economic Forum

“Commercial Feasibility of Trans-Eurasian Road Transport”

Chamber of Commerce
of the United States of America
www.uschamber.com

The Cost-Time Challenge

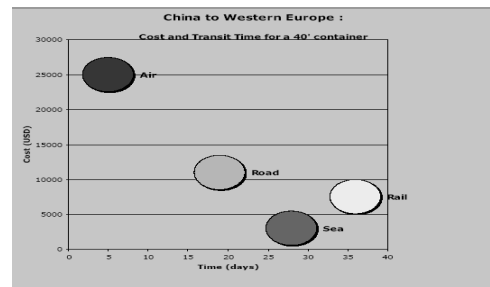
“Low transport costs help make it economically sensible for a factory in China to produce Barbie dolls with Japanese hair, Taiwan plastics and American colorants, and ship them to eager girls all over the world”. The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger, 2006.



IRU Beijing to Brussels Caravan



China to Western Europe A Broad Comparison



Modal Split: Full Load Containers Between China & Europe

Modal split - Transport of Full Load Containers between China and Europe

(Million full load TEU)

	Westbound	Eastbound	Total
Sea transport	4,5	2,5	7,0
Rail	< 0,2	< 0,1	<0,3
Road (Truck)	< 0,03	< 0,03	<0,06



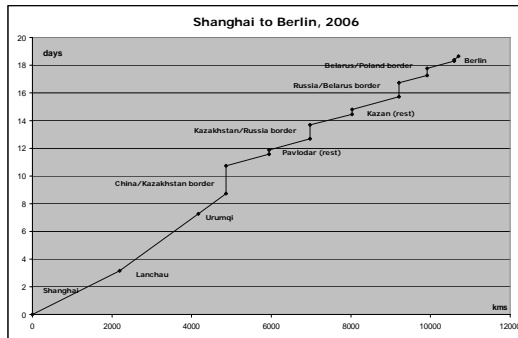
The Trans-Eurasian Land Bridge

Trucking Estimates

From	To	Cost (USD per 40' container)	Time (Days)
China (Shanghai)	Western Europe (Hamburg) – Central Asian Operator	11,000	19
China (Shanghai)	Western Europe (Hamburg) - European Operator	12,000	26
Other destinations			
China (Shanghai)	Istanbul	10,000	22
China (Shanghai)	Novorossiysk	8,100	18
China (Shanghai)	Riga	10,500	22

Summary

- Ocean transport: cheap and reliable, but long transit times
- Air transport: expensive but fast
- Rail: Costs more than ocean transport, transit times unpredictable
- Road: Costs are 3-4 times that of ocean transport and roughly 1 week shorter—huge potential for shortening transit times even further
- Due to high inventory costs for time-sensitive, high-value cargo—a transit of 1 week shorter for trucking than for ocean transport can level the difference in costs
- To develop commercially viable road transport networks, broad engagement in the framework of trade facilitation is key



Developing Eurasian Land Transport Options

- Time matters
- Predictability and reliability are key
- Border crossing and other facilitation issues must be adequately addressed
- Increased regional cooperation is a necessity

