

【欧州】

Common - Strategies to strengthen the logistic network, Trans-Eurasia Logistic: Global gateway: €10 billion investment for Trans Caspian Transport Corridor announced at Investors Forum

Andrea Antolini Former Researcher JTTRI

【概要 : Summary】

The European Union (EU) introduced the Global Gateway Strategy to create a counterbalance to China's Belt and Road Initiative (BRI) for infrastructure investments in Asia, Africa, and Europe. As part of the Global Gateway Strategy, a study on sustainable transport connections between the EU and Central Asia was conducted by the European Bank for Reconstruction and Development (EBRD). In June 2023, the European Commission DG Mobility published the results of the "Study on Sustainable Transport Connections between Europe and Central Asia" regarding the evaluation of possible important infrastructure projects under the Global Gateway strategy. Assessing the transport corridors under environmental, social, economic, fiscal, and political sustainability criteria, the study identified the Central Trans-Caspian Network (CTCN) as the most sustainable transport corridor option. This transport corridor connects the five Central Asian republics Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan with the EU's extended Trans-European Transport Network (TEN-T). The CTCN is expected to enhance connectivity, lower transaction costs, and provide long-term planning perspectives. Key infrastructure

investments in the mentioned five Central Asian countries are estimated at €18.5 billion, focusing on railway and road network rehabilitation, rolling stock expansion, port capacity enhancements, and cross-border transport improvements. Against the backdrop of Russia's invasion of Ukraine, the corridor of Central Trans-Caspian network has gained geopolitical importance and if implemented, the transport could ensure a predictable transit time and route, replacing the transport corridors via Russia and Belarus.

On 29 and 30 January 2024, the Global Gateway Investors Forum gathered representatives from governments, finance institutions, businesses, and civil society to discuss investment opportunities for developing the CTCN as a multimodal and efficient route that connects Europe and Central Asia.

At the Forum, European and international finance institutions announced their financial support of €10 billion for investments into the Trans-Caspian Transport Corridor to establish a multimodal and efficient route, allowing for a smooth transport of goods between Central Asia and Europe in 15 days or less.

【記事 : Article】

1. Background: The Global Gateway Strategy and its main objectives

The Chinese “Belt and Road Initiative” (BRI), or “One Belt One Road” strategy was initiated in 2013, supports investments into large infrastructure development programmes for ports, roads, railways, and airports, as well as power plants and telecommunications networks in more than 68 countries in Europe, Asia, and Africa (European Bank for Reconstruction and Development n.d., see also Antolini 2023). BRI has the aim to facilitate the trade between China and these regions and countries, to the benefit of the Chinese economy. In the past years, the concerns in the EU increased that Chinese investments in infrastructure projects in Central and East European (CEE) countries, as well as some EU Member States could cause possible conflicts of political interests due to increasing economic or financial investment dependencies from China, which could eventually also have geopolitical implications for the EU (Mardell 2020, Smith 2018).

In a reaction to the increasing Chinese political and economic influence accumulated through the BRI initiative, in September 2021, the European Commission’s president von der Leyen presented the European Global Gateway initiative (Weiss 2023). The EU’s Global Gateway Strategy was initiated to decrease the Chinese influence in many regions and to offer an alternative to the financial, economic, and political dependencies of countries in Asia, Africa, and Europe from Chinese investments.

The Global Gateway initiative intends to increase smart, clean, and secure connections in digital, energy and transport sectors, and to strengthen health, education, and research systems across the world, but without creating political dependencies. It is also aligned with the UN Agenda 2030 and its Sustainable Development Goals as well as with the 2015 Paris Agreement, and with the G7 Partnership for Global

Infrastructure and Investment (PGII) (European Commission n.d.). Furthermore, China’s decision to maintaining the “no-limits friendship” with Russia, despite the Russian illegal invasion into Ukraine, is also underlining the importance of creating a counterbalance to the Chinese BRI (European Commission 2023a).

The Global Gateway Strategy is expected to improve the EU’s global cooperation with other countries by building partnerships to support “investments in quality infrastructure, connecting goods, people and services around the world” (European Commission 2021a). Between 2021 and 2027, the EU and its Member States aim to mobilise up to €300 billions of investments for these Global Gateway Strategy’s Team Europe Initiatives and the European financial and development finance institutions will participate with up to €145 billion in planned investment volumes, among others (European Commission 2021a, European Commission 2021b).

Moreover, the Global Gateway strategy is the EU’s contribution to the G7 initiative “Partnership for Global Infrastructure and Investment” (PGII).

To evaluate possible infrastructure projects under the Global Gateway Strategy, the European Commission published the results of the Study on Sustainable Transport Connections between Europe and Central Asia in June 2023 (DG Mobility 2023). The study emphasises the need to improve transport connections between Asia and Europe.

2. Study on sustainable transport connections between the EU and Central Asia

Regarding the connections of the EU with Central Asia, the total trade between the two regions has grown by 38.8% in the last decade, from €34.2 billion in 2012 to €47.5 billion in 2022, with two-thirds of total trade being imports to the EU (Report News Agency 2023). The main products imported by the EU are mineral products, base

metals, and products, as well as chemical and associated products (92% of total EU exports). The EU's main exports to Central Asia are machinery and appliances, chemical products, and transport equipment (70.7% of total EU exports) (Report News Agency 2023). Against this backdrop it is important to further improve the transport connections to enable a smooth exchange of goods and products on a sufficiently developed transport network.

The Study on Sustainable Transport Connections between Europe and Central Asia, which was conducted by the European Bank for Reconstruction and Development (EBRD) and funded by the EU, was published on 30 June 2023 (EBRD 2023). The study identifies a network of the most sustainable transport connections and investment opportunities for five Central Asian countries, including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan to maximise their sustainable economic potential by improving their connectivity with each other and with Europe (DG Mobility 2023, DG Mobility n.d.). The study, conducted between November 2021 and June 2023, has two objectives. Firstly, the study intends to identify the most sustainable transport corridors connecting the five Central Asian republics with the EU's extended Trans-European Transport Network (TEN-T) (DG Mobility n.d.). The study's second objective is to propose key actions for corridor development regarding both physical infrastructure (hard connectivity) and enabling environment (soft connectivity), with a prioritisation based on a coherent and sustainable transport corridor development approach (DG Mobility n.d.).

Regarding the study's first objective, based on the plan to connecting the 27 EU Member States under the TEN-T projects, a plan to develop and implement a Central Asia-wide transport network could close the gaps in infrastructure and soft connectivity, remove bottlenecks and technical

barriers, and strengthen connectivity in the region and beyond (EBRD 2023). According to EBRD, there exist three corridors of overland transport between Asia and Europe, including the Northern Corridor, the Trans-Caspian International Transport Route (Middle Corridor) and the Southern Corridor. The corridor assessment is based on strict sustainability criteria including environmental, social, economic, fiscal/debt sustainability as well as political viability (DG Mobility n.d.). The study focused on the transport modes land transport (rail and road) and maritime connections (Caspian and Black Seas), on interoperability with other modes of transport, legal and regulatory conditions, customs procedures, existing bilateral agreements between the various countries, as well as on possible multi-modal connecting points along these corridors (DG Mobility 2023).

Following the assessment of the current situation of transport networks, the study assessed geographically the existing and potential new corridors that would ensure the most sustainable transport connections between the five Central Asian republics, and the EU-27 TEN-T with its extensions to the Western Balkans, Eastern Partnership countries (including the Caucasus) and Turkey (EBRD 2023, DG Mobility n.d.). Due to the geopolitical situation and Russia's invasion of Ukraine, the Northern route is not considered anymore as a future transport corridor option (EBRD 2023).

As a result, the study identified the Central Trans-Caspian Network (CTCN), traversing Southern Kazakhstan, as the most sustainable option, allowing for further transport network and regional development within the territory of all five Central Asian countries, while covering most of the population and production centres in the region (EBRD 2023). According to the study, the development of the CTCN would yield a stronger regional coordination of

unified tariffs, and network management, enhanced connectivity between the economic centres of Central Asia to support regional and global value-chain integration, more efficient border-crossing practices to lower transaction costs and to provide more user-friendly services, among others (EBRD 2023, Ostausschuss n. d.). According to the assessment, the Central Trans-Caspian Network (CTCN), from southern Kazakhstan to all five Central Asian states, offers unprecedented regional connectivity, and a connection to the EU via a comprehensive transport network that could function as a crucial catalyst, facilitating growth and regional cooperation (Canuto 2023). Therefore, the CTCN has the greatest potential for further development, as it allows not only for transport network development, but also supports the regional development in Central Asia (Report News Agency 2023). The Study on Sustainable Transport Connections with Central Asia identified 33 hard infrastructure investment needs across the Central Asian region (related to modernisation/reconstruction of existing railways/roads, additional rail/road links, fleet expansion, port capacity expansion, rolling stock, logistics centres, warehousing, etc.), as well as 7 coordinated actions on soft connectivity measures including trade facilitation, regulatory measures, digitalisation, harmonisation of tariffs, customs procedures, border controls, interoperability, market liberalisation, etc. (DB Mobility n. d.). The 33 hard infrastructure investment needs include the modernisation and/or reconstruction of existing railways/roads, additional rail/road links, fleet, and port capacity expansion, rolling stock, logistics centres, warehousing, and others (DB Mobility 2023). The proposed seven soft connectivity measures would include trade facilitation, regulatory measures, customs procedures, border controls, digitalisation, harmonisation of

tariffs, interoperability, and market liberalisation (DG Mobility 2023).

The identified key priority infrastructure investments in all five Central Asian countries are estimated at around €18.5 billion for railway and road network rehabilitation and modernisation, rolling stock expansion, and port capacity enhancements, as well as improvements to border crossing points, and multimodal logistics centres and auxiliary network connections (EBRD 2023, Canuto 2023). While financial investment is crucial, also the success of soft connectivity aspects is of importance and depends on the commitment and political will of Central Asian governments to prioritize regional cooperation and trade facilitation (Canuto 2023).

If all these proposed actions are implemented, the Central Trans-Caspian network could ensure a predictable transit time of 15 days or less (DB Mobility 2023). The study was expected to lead to a series of detailed stakeholder consultations and an Investors' Forum in 2024 (DG Mobility 2023).

3. The Global Gateway Investors' Forum on sustainable transport connections between Central Asia and Europe

Since the publication of the Study on Sustainable Transport Connections between Europe and Central Asia the European Commission has worked towards operationalising the study's findings (European Commission 2024a). The Global Gateway Transport Investors Forum on 29 and 30 January 2024 has taken forward the conclusions of the Study, aiming to translate the political commitments into tangible operational deliverables (News Central Asia 2024).

The Global Gateway Investors Forum for EU-Central Asia Transport Connectivity brought together high-level representatives of Central Asian countries, EU Institutions, finance institutions, businesses and civil society from

the European Commission, EU Member States, Central Asia as well as Caucasus countries and Turkey (European Commission 2024a, 2024b). The Investors Forum is expected to deepen the collaboration of the EU with Central Asian countries and Turkey, as well as with countries of the Eastern Partnership. The Forum is expected to contribute to the long-term objective of making the Trans-Caspian Transport Corridor a multimodal, modern, competitive, sustainable, predictable, smart, and fast route linking Europe and Central Asia in 15 days or less (Ostauschuss n.d.).

During the Forum, the European Commission Executive Vice President Valdis Dombrovskis announced that European and international financial institutions would commit to supporting of and investing into the sustainable transport connectivity in Central Asia an amount of €10 billion (European Commission 2024a). The aim is to transform the Trans-Caspian Transport Corridor into a multimodal, and efficient route, connecting Europe and Central Asia within 15 days (European Commission (2024a).

In addition, the Trans-Caspian Transport Corridor is also opening new possibilities for strengthening the regional integration and economic development of Central Asia, and Central Asian countries have shown their determination to step up intra-regional cooperation in the field of transport and connectivity (Ostauschuss n.d.).

The Global Gateway Investors Forum focuses on transport connections that comply with all aspects of sustainability, in line with the trusted connectivity principles of Global Gateway. Considering the political commitments of the EU and the five countries in Central Asia to enhance and reinforce connectivity into tangible operational results, the Investors Forum aims to send a strong and concrete signal to the five Central Asian countries of the EU's political and operational commitment to

strengthen connectivity with the region through the Global Gateway initiative and to enhance the operational efficiency and economic attractiveness of the Trans-Caspian Corridor (Global Gateway n.d.).

The €10 billion investment commitment is a mix of already ongoing and planned investments, which the European Commission foresees to be mobilised for sustainable transport development in Central Asia in the short term (European Commission 2024a). The significant commitments made as part of the overall €10 billion include the signature of Memoranda of Understanding with a total of €1.47 billion for co-financing projects between the European Investment Bank (EIB) Global, which is the EIB Group's specialised branch for operations outside the EU, and the Governments of Kazakhstan, Kyrgyzstan, and Uzbekistan as well as the Development Bank of Kazakhstan (Delegation 2024). These loans will be made possible by guarantees provided by the European Commission (European Commission 2024a). Furthermore, the European Bank for Reconstruction and Development (EBRD) signed a Memorandum of Understanding with Kazakhstan, regarding projects already under preparation for the overall development of transport connectivity in the Central Asian region, worth €1.5 billion (European Commission 2024a).

According to European Commission Executive Vice President Valdis Dombrovskis, the Memoranda of Understanding signed at the Forum represent an opportunity to strengthening the EU trade relations with Central Asia to the benefit of both regions (Delegation 2024).

The Global Gateway Investors Forum is expected to convene on a regular basis to take stock of and drive forward the development of the Trans-Caspian Transport Corridor. The Forum also intends to commit key stakeholders for continued participation in the Forum as the main platform for implementing the projects identified in the Study and to following up on specific actions

and specific projects, with concrete and realistic timelines and financial commitments (Ostauschuss n.d.). The European Commission plans to announce support priority measures to increase connectivity along the Corridor between the EU and Asia and to extend the Trans-European Transport Networks to the Caucasus countries and Turkey (Ostauschuss n.d.).

4. Conclusion

Since Russia's invasion of Ukraine, the transport connectivity via Russia or Belarus is not an option anymore for reliable transport between Asia and Europe. The invasion has underlined the need to find alternative reliable efficient trade routes between Europe and Asia that avoid Russia and Belarus.

Based on the Study on "Sustainable Transport connections between Europe and Central Asia", the Central Trans-Caspian Network (CTCN) has been identified as a corridor for achieving the most sustainable transport link between Europe and Central Asia. The CTCN has the greatest potential for further development and is expected to unlock Central Asia's transport potential, spanning across southern Kazakhstan to all five Central Asian states, offering an unprecedented regional connectivity. The Study also identified 33 hard infrastructure investment needs across the Central Asian region, related to modernisation/reconstruction of existing railways/roads, additional rail/road links, fleet expansion, port capacity expansion, rolling stock, logistics centres, warehousing, etc., as well as 7 coordinated actions on soft connectivity measures including facilitation of regulatory measures for trade, harmonisation of tariffs, customs procedures, and others.

The Global Gateway Investors Forum for EU-Central Asia Transport Connectivity, held in January 2024, brought together high-level representatives from Central Asian countries, EU

Member States, and partner countries along the Trans-Caspian Transport Corridor, among others. Based on several Memoranda of understanding signed by participating partners at the Forum, sustainable transport connectivity is supported between Europe and Central Asia. This includes the financial commitment by European and international financial institutions to invest €10 billion to improving land-based transport infrastructure to transform the Trans-Caspian Transport Corridor into a multimodal and efficient route, connecting Europe and Central Asia within 15 days.

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