



21st Transport Sector Coordinating Committee Meeting

22–23 April 2024 • Almaty, Kazakhstan

21-е заседание Координационного комитета по транспортному сектору

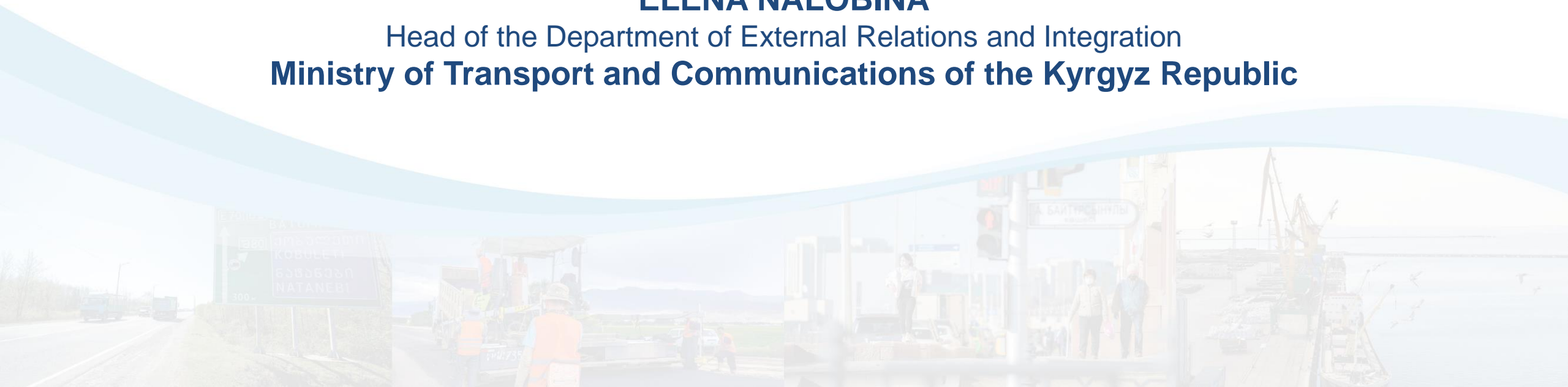
22–23 апреля 2024 года • Алматы, Казахстан



Connectivity of Central and East Asia

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Central and East Asia Connectivity

- Currently, activity in and around Central Asia is driven by current geopolitical conditions. Central and East Asia Connectivity: this model of multilateral cooperation is becoming very popular throughout the world. Firstly, the region is a convenient transport hub located between large human and trade markets. Secondly, the countries of Central and East Asia have established friendly relationships with each other and this speaks of its stability and security.
- Considering the rapidly changing geopolitical situation and related problems, shifting global trade flows, strengthening the development of cooperation between countries in the region is of particular importance. In this regard, one of the main factors for the further development of cooperation is the increase in trade between Central and East Asia.



Central and East Asia Connectivity

- Taking into account the fact that the Kyrgyz Republic is located in the center of Central Asia, our country has enormous transit potential, since main cargo trade flows can pass through the territory of our country, both in the northeast (Kazakhstan-Russia, Tajikistan-Afghanistan) and in the southeast (Central Asia - China connectivity). Mobilization of cargo flows will be facilitated by the good condition of the roads passing across the territory of Kyrgyzstan and integrated into the network of international transport corridors; these roads include Osh - Sary-Tash - Irkeshtam (direct transport connectivity of Uzbekistan, Kyrgyzstan and China) and Bishkek - Naryn - Torugart (connectivity of Kazakhstan - Kyrgyzstan and China).
- These transit cargo flows across the territory of the Kyrgyz Republic provide access to the largest economic markets of China and are interfaced with the international transport corridors of CAREC, Asian Highway routes, corridors of the ESCAP region, TRACECA (Middle Corridor), EAEU, SCO, CIS, and others.

Central and East Asia Connectivity

- Currently, Kyrgyzstan does not have a network of connected railways; however, our priority objective today is the construction of a network of main railways passing across the territory of the Kyrgyz Republic, development of new transport directions, multimodal corridors and logistics infrastructure.
- The prospects for new transport directions will lie in the development of trade relations between countries participating in new routes, prospects for expanding sales markets and mutually beneficial trade, development of transit potential, harmonization of transport transportation enabling reduction of delivery time and, therefore, the final cost of goods.
- New railway and road development projects will compensate for the shortage of mainline infrastructure in Central Asia, which will benefit the countries interested in creating additional import/export points and points of growth in the economic space of partner countries.

Transit potential development

- Understanding the importance of developing transit potential, the Government of the Kyrgyz Republic is working to eliminate barriers at its borders. International companies are encouraged to help improve the quality of logistics services.
- An agreement on the use of navigation seals within the EAEU was signed to track cargo transportation and eliminate false transit. Also, among the tools for optimizing logistics costs, digital solutions have already been introduced for issuing electronic accompanying documents and organizing multimodal transportation.
- In addition, the necessary efforts are being taken to modernize border crossing points, update weighing equipment at transport control points, and install CCTV cameras.
- Also, taking into account main cargo flows and the fact that all foreign economic activities of the Kyrgyz Republic with China are carried out only through two border crossing points on the Kyrgyz-Chinese state border (Torugart BCP located in Naryn region of the Kyrgyz Republic, and Irkeshtam BCP located in Osh region of the Kyrgyz Republic) and other land crossing points of the Kyrgyz-Chinese border, and accordingly, there are no roads; today, these points require prompt modernization.
- Currently, to ensure regular cargo flow between Kyrgyzstan and China, it is planned to expand the capacity of the Torugart and Irkeshtam BCPs, as well as build a highway and a new border crossing point at the Kyrgyz-Chinese border in Issyk-Kul region.



Digitalization of transport processes

- Digitalization processes all over the world are the most significant areas of development in any sphere, and this concerns transport in the first place. As we can see from the current practice, digitalization of transport flows seems to be one of the most important and top priority tasks, the solution of which determines the process of creating barrier-free transportation of goods that will directly affect the barrier-free economy and the development of the trading environment in Central and East Asia regions.
- Digital transport corridors will be able to reduce the time of passenger and cargo transportation, as well as simplify transit across the territory of neighboring states and transit countries; therefore, Kyrgyz Republic is working on development and management of digital transport corridors.
- Today, Kyrgyzstan carries out international road freight transportation with more than 41 countries of the world. In doing so, our country exchanges permits for such transportation on a parity basis.
- To facilitate the transportation of goods and create favorable conditions for road carriers, an electronic system for submitting applications for international road freight transportation permits has been introduced. As a result, the time for obtaining permits has reduced significantly.
- In addition, we are combining efforts with our respected colleagues from the Republic of Uzbekistan to develop, implement and integrate the e-Permit electronic exchange system for permits. This, in turn, will also be used as a tool for transport logistics and simplify labor-intensive processes.

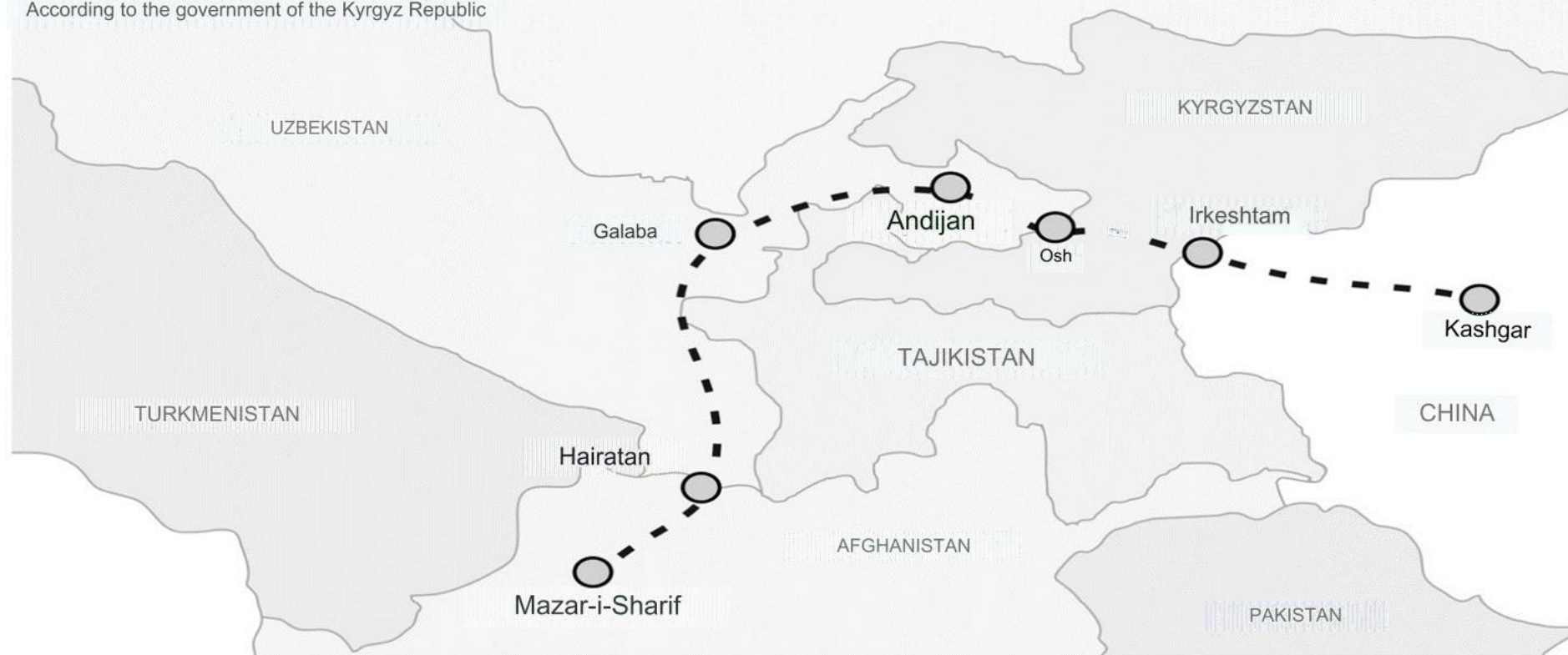
Development of new international intermodal routes

- Kyrgyzstan is becoming an important part of a new transport route that will connect four countries: Kyrgyzstan, China, Uzbekistan and Afghanistan. This will be a new trade corridor that will pass through the south of the Kyrgyz Republic, but in the future it may become more than just a transit section.
- The route begins in the city of Kashgar (PRC), where the existing railway line connecting this settlement with the central and eastern part of China ends; containers will be transferred to heavy duty vehicles to deliver them to the border of the Kyrgyz Republic (specifically, to the Irkeshtam border crossing point). Then they will be transported along roads to the city of Osh (the 'southern capital' of Kyrgyzstan), connected by an existing branch to the railway network of Uzbekistan. In the future, Kyrgyzstan can turn into an important hub that will process large volumes of cargo moving to Uzbekistan and Afghanistan, and back to China. According to experts' expectations, flows of cargo transported to Afghanistan alone could amount to more than 4 thousand containers per year with further growth potential.
- This is a promising area for Kyrgyzstan: the development of this route can significantly increase trade turnover among the countries involved in the project. Of course, China will be the key supplier of goods within this group, and for Kyrgyzstan this is yet another opportunity to use its transit potential.

TRANSIT CORRIDOR THROUGH KYRGYZSTAN

Multimodal corridor China - Kyrgyzstan - Uzbekistan - Afghanistan

According to the government of the Kyrgyz Republic

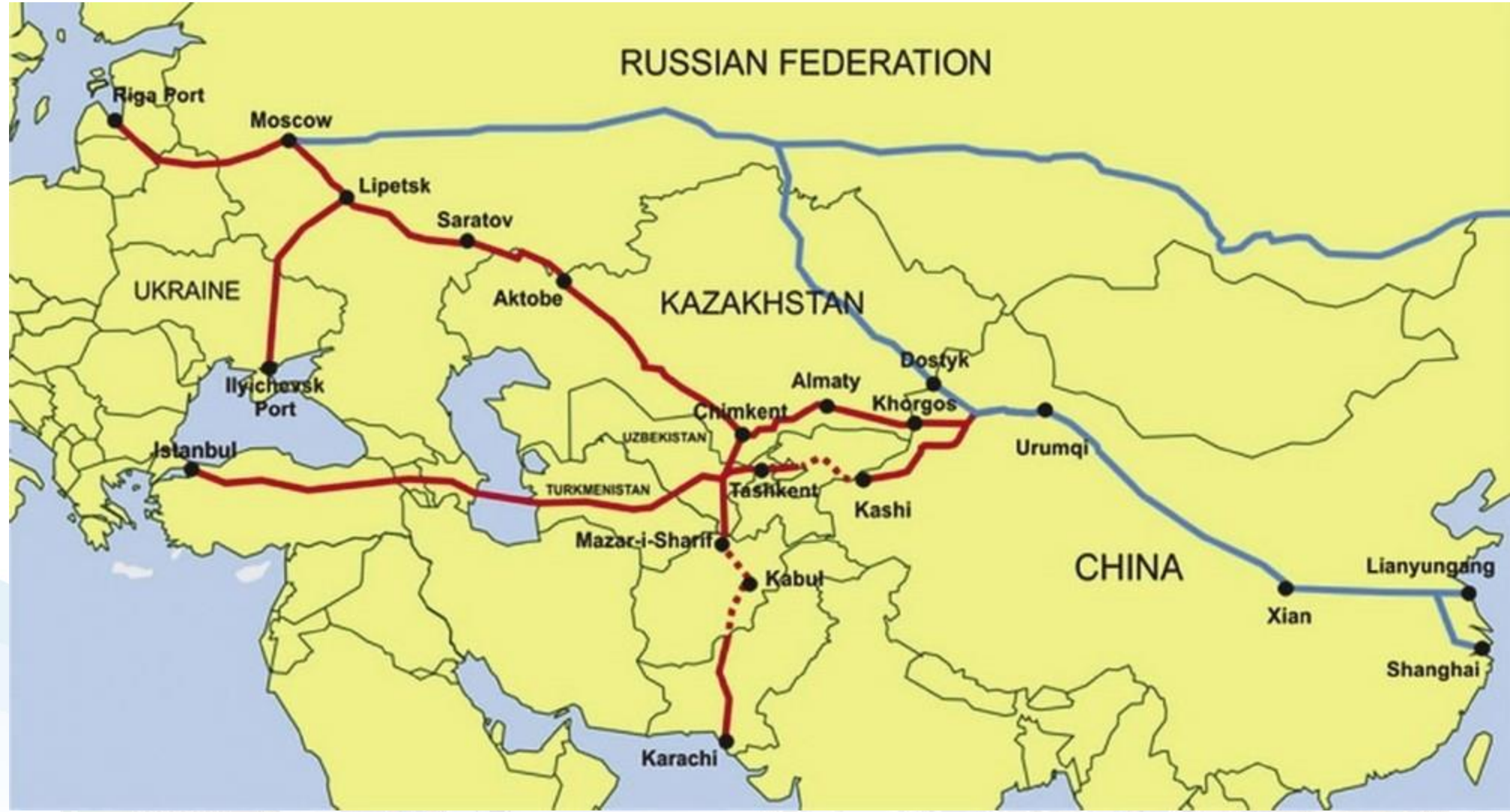


INFOGRAPHICS "RG" / ANNA YULDASHEVA



Development of new international intermodal routes

- In August 2023, a Memorandum of Cooperation was signed in the city of Lanzhou (PRC) to develop a new intermodal transport route (China - Kyrgyzstan - Uzbekistan – Afghanistan) and combine efforts to create a new international intermodal train that will connect the four countries.
- The meeting in Lanzhou was a logical continuation of the work that had been carried out jointly by the transport project participants for several years. Earlier, (*in early June*), the Parties launched a test container train, the final destination of which was the city of Mazar-i-Sharif in Afghanistan. The Chinese side loaded goods into containers. They were transported by truck to a station in the southern capital of Kyrgyzstan. There, the cargo was transferred to Uzbek fitting platforms, specialized wagons designed for transporting large containers and equipped with fastening units. The train then passed through Andijan and Galaba stations to Hairatan (Afghanistan), a border town on the Amu Darya River. From there, cargo from China was delivered to its destination.



“Caspian Project” multimodal route

- Also, in addition to traditional and proven multimodal transport corridors, the Kyrgyz Republic is considering new alternative routes through which cargo from China, as well as Kyrgyzstan, can flow to Russia and Azerbaijan, as well as further to the other neighboring countries and Europe. We are talking about the so-called Caspian project. The route assumes direct involvement of Turkmenistan, the ports of which are connected by ferry service with Azerbaijani and Russian seaports.
- The initiative to organize multimodal container transportation along an alternative Caspian route belongs to the Kyrgyz side. The “Caspian Corridor” is interesting because the principle of multimodality is fully implementable in this direction. Thus, railways or, as an alternative, heavy duty vehicles can be used for the transportation of goods on the territory of Uzbekistan and Turkmenistan. Moreover, the Kyrgyz side considers this option as a priority. The alternative corridor will significantly increase trade turnover between countries.

The Southern Transport Corridor from Kyrgyzstan to Russia





Southern transport corridor

- Taking into account mutual interests in increasing freight traffic in the East-West direction, the Kyrgyz side is interested in implementing the Southern Transport Corridor, which will connect Kyrgyzstan, Uzbekistan, Turkmenistan and Azerbaijan with Europe.
- The interest of the Ministry of Transport and Communications of the Kyrgyz Republic in the international transport potential of the Southern Corridor is very high. Interaction in the field of transport between the countries participating in the Southern Corridor occurs in both bilateral and multilateral formats. The volume of cargo transportation between states is increasing, and there is a trend towards an increase in the volume of international transport by both road and rail transport.
- Today, the Ministry of Transport and Communications of the Kyrgyz Republic is working hard to develop the Southern Transport Corridor; it has started working with the corridor participants to remove barriers, digitalize transport processes, simplify the process of obtaining drivers' visas, liberalize permit forms, and harmonize transport fees.

Testing the operation of a new multimodal transport corridor: China-Kyrgyzstan-Uzbekistan

- In the first half of June 2023, China, Kyrgyzstan and Uzbekistan tested the operation of a new multimodal transport corridor. The test train departed from Lanzhou station in the northeastern province of Gansu, adjacent to the Xinjiang Uygur Autonomous Region (XUAR). The train traveled to the city of Kashgar along an existing railway line. The goods were then transferred to heavy vehicles to be further delivered to the Irkeshtam border crossing point at the Kyrgyz border, and then the vehicles traveled along roads to the city of Osh (the 'southern capital' of the Kyrgyz Republic) connected to the railway network of Uzbekistan. Tashkent was the final point of the route.
- This multimodal transport corridor serves as an alternative to the transit railway line through the Tien Shan (the construction of which is still planned). The test train consisted of thirty containers with commercial cargo: PVC panels, mechanical equipment, fabrics. and other goods. The cost of the products transported in the pilot mode is estimated at USD 2.5 million.
- The trilateral multimodal corridor makes it possible to reduce cargo delivery times, which makes it more attractive and competitive for international trade participants.

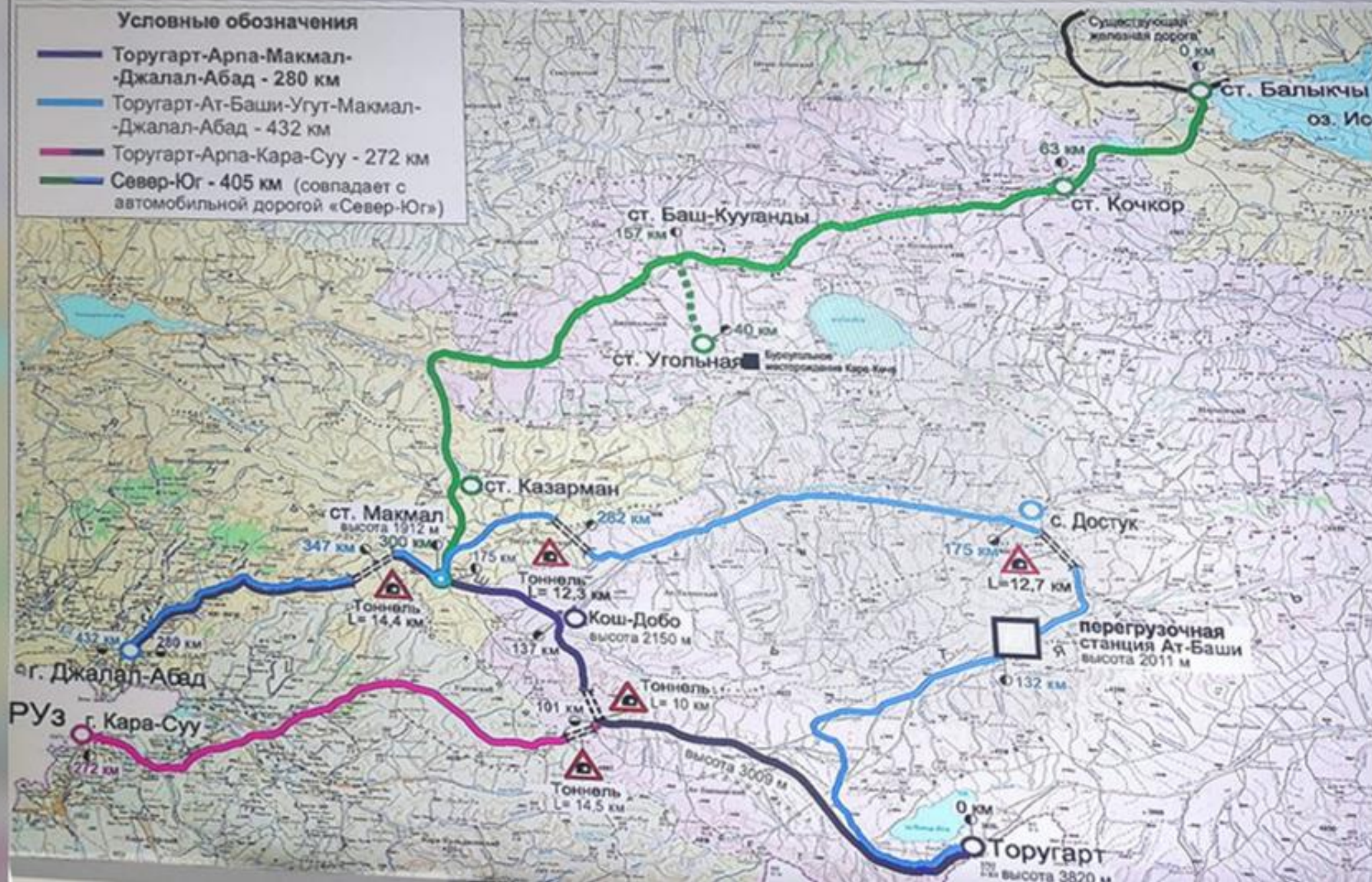


Preparations for the start of a large-scale railway project: the construction of the China-Kyrgyzstan-Uzbekistan railway

- In 2023, the feasibility study for the Project was completed and a joint appraisal of the feasibility study was carried out. The parties (an interdepartmental working group) are working on financing, management and technical issues.
- For reference: the parties considered various options for the route and the use of gauge. Today, the so-called “combined” option along “Torugart – Arpa – Kosh-Dobo – Makmal – Jalal-Abad” route (311.75 km) is the main option along which work has been carried out to prepare a feasibility study.
- In the combined option, it is proposed to locate a transshipment station in the area around Makmal. Thus, the 1,435 mm gauge will be used from Torugart to Makmal (165.5 km), and the 1,520 mm gauge will be used from Makmal to Jalal-Abad (146.25 km).
- Currently, two financing model options are being considered: PPP (BOT (Build – Operate – Transfer / Construction-Operation-Transfer) and mobilization of a credit/loan (pros, risks, etc.).

Условные обозначения

- Торугарт-Арпа-Макмал-Джалал-Абад - 280 км
- Торугарт-Ат-Баши-Угут-Макмал-Джалал-Абад - 432 км
- Торугарт-Арпа-Кара-Суу - 272 км
- Север-Юг - 405 км (совпадает с автомобильной дорогой «Север-Юг»)

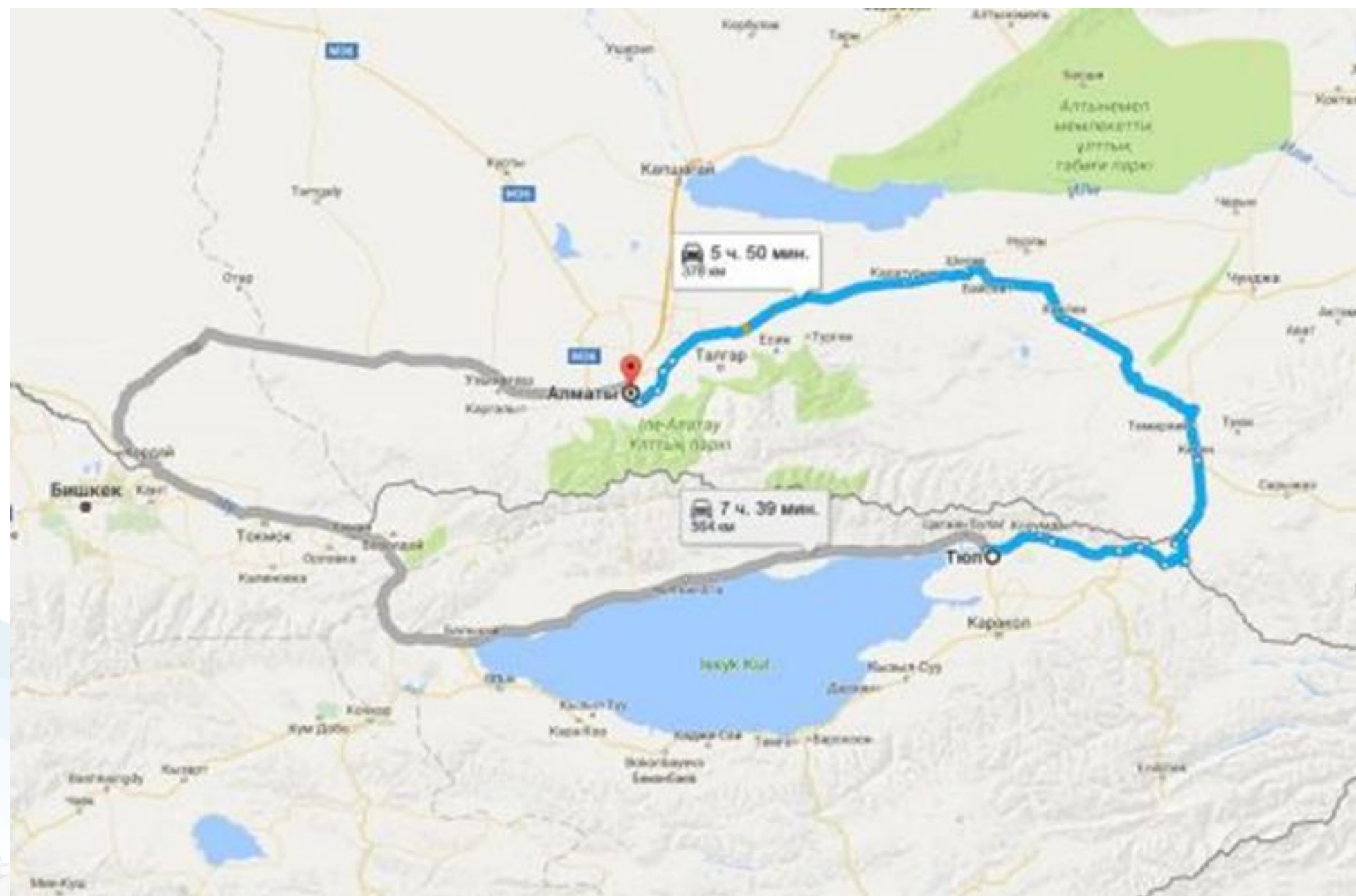


Accession to the Intergovernmental Agreement on International Road Transport on the Asian Highway Network between Russia, China and Mongolia

- In May 2023, in order to expand and develop new transport areas the Ministry of Transport and Communications of the Kyrgyz Republic forwarded a formal letter to the Ministry of Foreign Affairs of the Kyrgyz Republic with a request to officially notify the Parties to the Agreement about the intention of the Kyrgyz Republic to join the Intergovernmental Agreement on international road transport along the Asian Highway network formulated with the UNESCAP support and signed between the Government of the Russian Federation, the Government of the People's Republic of China and the Government of Mongolia in Moscow on December 8, 2016.
- On February 28, 2024, the Ministry of Foreign Affairs of the Kyrgyz Republic notified that all three participating states officially supported the accession of the Kyrgyz Republic to this Agreement by forwarding their formal notes. Currently, internal government procedures are being carried out in respect of the draft Additional Protocol on the accession of the Kyrgyz Republic to the Agreement.
- Let me avail of this opportunity to thank the Parties to the Agreement for their support.

Tyup-Almaty and Tyup-Kegen-Almaty highway routes between Kyrgyzstan and Kazakhstan

- The Third Phase of the Central Asia Regional Links Program (CARs-3) is a project financed by the World Bank. The total amount of financing is around USD 55 million and consists of a grant (USD 27.5 million) and a loan (USD 27.5 million) provided for a period of 38 years.
- We are talking about the reconstruction of a 39-76 km section of the Tyup-Kegen highway and construction of the Karkyra-Turuk-Sary-Zhaz highway (0-13 km section) adjacent to the tourist base in the Karkyra gorge.
- Rehabilitation of the 39-76 km section of the Tyup-Kegen highway started in October 2022, and is planned to be completed in 2025. In addition, 1 km of the road to the Sary-Tash burial mound complex will be asphalted. All these works under the project are scheduled to be completed within 32 months, followed by a warranty period of three years. According to the schedule, 10 km of the road will be asphalted this year. The road will be two-lane, classified as category 3, with an axle load of 11.5 tons.
- One of the project components is the “Rehabilitation of regional transport links, equipment and structures” with a priority objective of ensuring transport connectivity between Issyk-Kul region in Kyrgyzstan and Almaty region in Kazakhstan, and further to other neighboring countries, as well as creation of an integrated economic region between the countries.







Thank you for your attention!



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