

PATHS TO THE FUTURE TWIN CITY to TWIN CONTINENT

Connecting Europe and Asia

FERRMED

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BREITSPUR PLANUNGSGESELLSCHAFT

The countries **Austria, Slovakia, Ukraine and Russia** are united in a multinational railway project **to create an efficient link between the economic areas of Europe and Asia**

The joint venture Breitspur Planungsgesellschaft was founded between the state railway companies

- ÖBB (Austria)
- ZSR (Slovakia)
- UZ (Ukraine)
- RZD (Russia)

The vision of all project **partners** is to bring a direct railway connection from Asia to the centre of Europe by extending the existing broad-gauge line from Kosice to the Twin City region Vienna-Bratislava



OUR MISSION STEP BY STEP

The participating railway corporations and nations signed an agreement in Bratislava that gave the go-ahead to a pre-feasibility study for the project.

2010

Memorandum of Understanding among the CEOs of the project partners

2013

Results of the Feasibility Studies have been published

2017

Memorandum of Understanding among the Ministries of Transport of Austria, Slovakia and Russia

2019

2008

The founding of the joint venture Breitspur Planungsgesellschaft took place, with the four partners taking equal 25 % stakes in the company.

2011

The study was completed and conclusively confirmed the technical and commercial feasibility of the scheme.

2013

The start of the EU-wide bidding for the Feasibility Study

2018

Launch of the authority procedures in Austria and Slovakia

2020

Completion of the first authority procedures in Austria (SEA) and Slovakia (PES, EIA)

EUROPE AND ASIA: THE FLOWS OF GOODS CONTINUE TO GROW

IMPORTS & EXPORTS IN BILLION EUROS FROM EU PERSPECTIVE

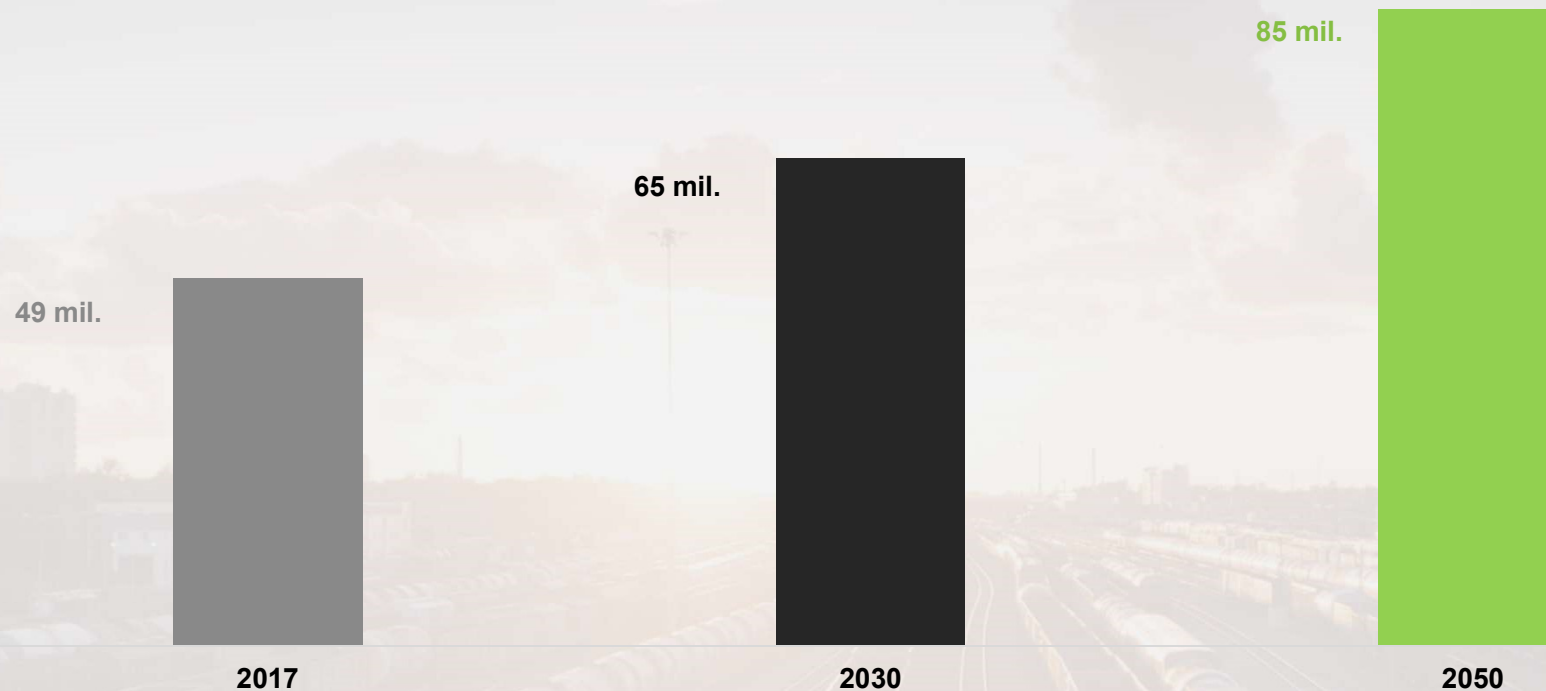
- **EU - China in 2018:**
 - Imports: 394,7
 - Exports: 209,9
- **EU - Russia in 2018:**
 - Imports: 168,3
 - Exports: 85,3
- **EU - Ukraine in 2018:**
 - Imports: 18,0
 - Exports: 22,1
- **EU - Kazakhstan in 2018:**
 - Imports: 20,8
 - Exports: 5,8



Figures 2018 in billion Euro
Sources: European Commission & EuroStat

EUROPE AND ASIA: THE FLOWS OF GOODS GROW

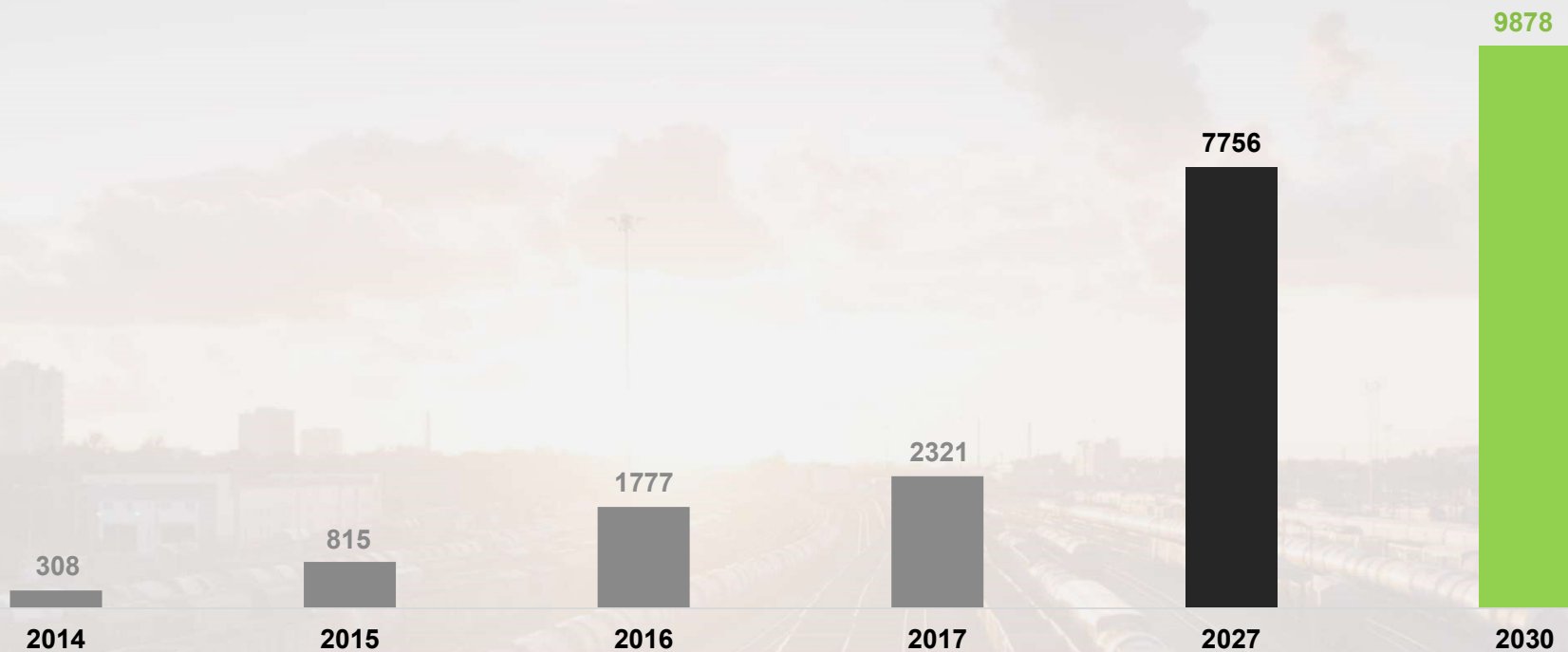
DEVELOPMENT OF FREIGHT TRAFFIC BETWEEN ASIA AND EUROPE IN THE AREA OF THE PROJECT



Forecast of rail-based freight traffic volume in millions of tonnes between Europe and Asia
Source: Prognos AG

EUROPE AND ASIA: THE FLOWS OF GOODS GROW

THE RAIL TRANSPORT BETWEEN EUROPE AND CHINA WILL INCREASE SIGNIFICANTLY IN THE FUTURE



Forecast of rail transports between Europe and China / Trains per year
Source: UIC, Roland Berger 2017; value for the year 2017 was extrapolated

EUROPE AND ASIA: THE FLOWS OF GOODS GROW

- Economic performances of the European Union and Asia **will grow strongly**
- **Trade flows with Europe play a central role and will continue to grow** – in both directions
- Among the EU's trading partners, China was **the largest partner for EU imports** of goods, and the second **largest partner for EU exports** of goods in 2018
- The OECD **predicts that China's gross domestic product will double by 2030** and also predicts a **sharp rise in GDP for Europe**



Figures 2018
Source: WTO & EUROPEAN COMMISSION

EUROPE AND ASIA: THE FLOWS OF GOODS GROW

- The total amount of **transportable goods** between **Europe and Asia** will rise to **291 million tons** per year by **2050**.
- A total of **6.300 freight trains** from **China to Europe** in **2018**, an increase of **72 %** compared to the year 2017.
- Of these, **2.690 freight trains** made the **return trip from Europe back to China**.
- **ÖBB RailCargoGroup: 200 freight trains** from Europe to Asia and back in **2018**. By **2019 - 600 freight trains** are planned.



Figures 2018
Source: ÖBB;
China Railway Corporation

EUROPE AND ASIA: THE FLOWS OF GOODS GROW

THERE IS A NEED TO PROMOTE RAIL FREIGHT BETWEEN EUROPE AND ASIA

Shorter transport routes

(Route Chengdu – Twin City region)

Ship + Truck: **16.200 km**
Railway: **9.800 km**

Faster transport times

(Route Chengdu – Twin City region)

Ship + Truck: **35 Days**
Railway: **10 Days**

Safer transport
of goods over long
distances

EUROPE AND ASIA: COMPARISON OF TRANSPORT CONCEPTS

SOCIAL AND ENVIRONMENTAL BENEFITS OF THE RAIL TRANSPORT

Reducing costs to society

fewer accidents & traffic jam
less environmental damage
less noise

**1 freight train
replaces
80 trucks**

Environmentally friendly transport

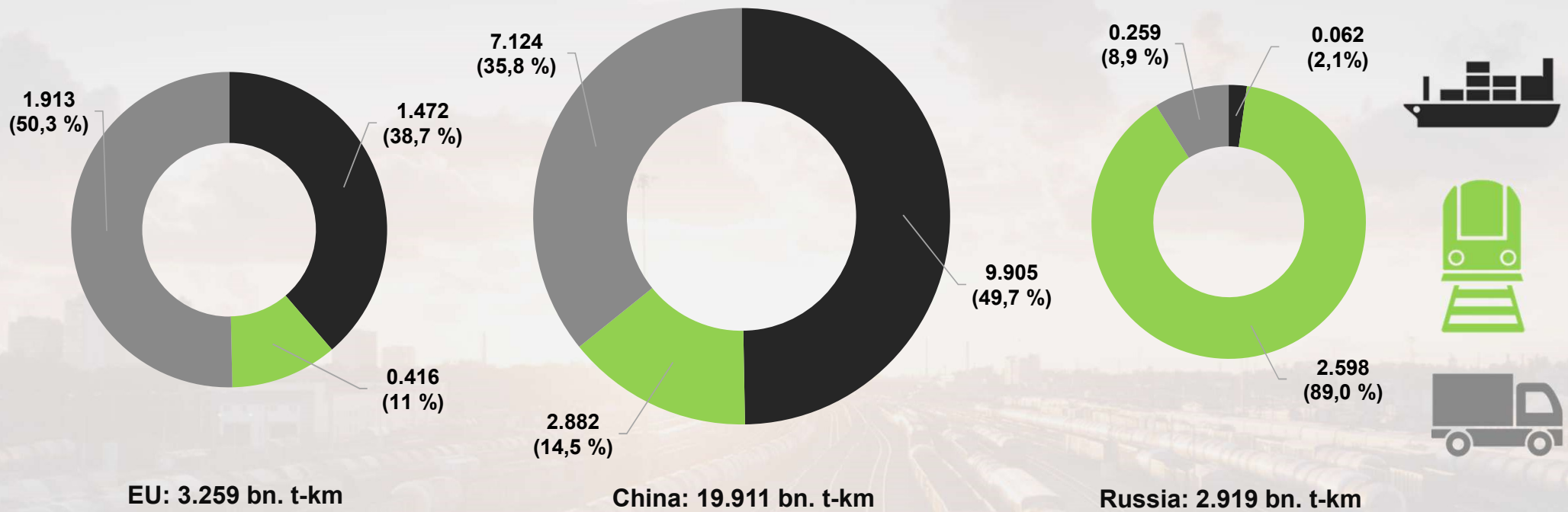
reduction of CO2 emissions
reduction of empty runs
reduction of fine dust

Relief of existing transport routes

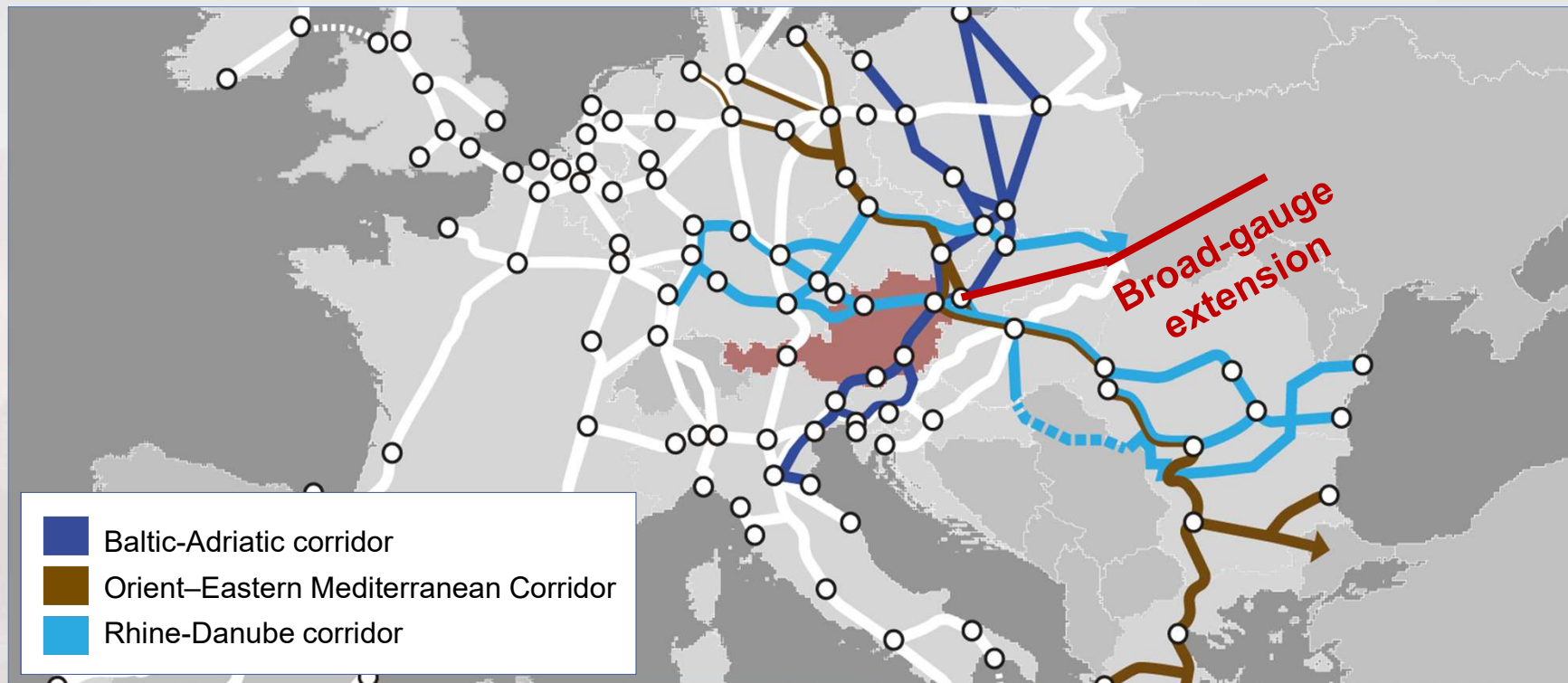
Shifting from road
and ship to rail

EUROPE AND ASIA: COMPARISON OF TRANSPORT CONCEPTS

RAIL HAS A NEED FOR GROWTH IN EUROPE



A NEW CONNECTION BETWEEN EUROPE AND ASIA



Strongly linked to the TEN network: the Twin City region becomes the logistics hub of the future

LOGISTIC SOLUTION OF THE FUTURE: A NEW LINK BETWEEN EUROPE AND ASIA

To master the challenges of the future and to be part of the economic growth of Asia - a new efficient link between Europe and Asia must be established

Therefore a single-track, electrified line for freight transport and connection to the **1,520 mm wide** gauge network in Kosice (SK) is planned

The endpoint of the track
will be
in the Twin City region
Vienna - Bratislava

This connection must meet all future requirements in transport:

- faster transport
- shorter transport routes
- environmentally friendly
- safer

The track length
in Austria and Slovakia
will be

approx. 400 km

The advantages of the Twin City-region:

- Crossing of three European railway corridors
- Connection to the A4 and A6 motorways
- Connection to the airports of Vienna (Schwechat) and Letisko Bratislava
- Connection to the Danube transport axis

ENSURING VALUE CREATION

The project strengthens the partnership between Asia and Europe. It brings opportunities, benefits, and economic advantages to both continents

All partner countries are export-oriented economies, which will be strengthened by the new connection

**Construction creates
17,500 new full-time jobs**

Further
3,500 full-time jobs
around the distribution station

ENSURING VALUE CREATION

The jobs created lead to a value added of
EUR 26.4 billion

The new railway will also generate tax income of
EUR 9.6 billion
in total

The investment of
EUR 8,5 billion
is expected to create positive monetary effects on total value added (GDP) and a rise in tax income*

All project countries will benefit from considerable macroeconomic effects

The track will bring development to the regions as it will be connected to the logistics corridor of the future between Europe and Asia

A "EUROPEAN SILK ROAD" – THE BIG PUSH FOR COMMON PROSPERITY

FUTURE-PROOF INFRASTRUCTURE DEVELOPMENT UPGRADES EUROPE TO A DYNAMIC CENTER

- The idea is to link the industrial centers in the West with the densely populated areas in the East of the continent
- Cost estimates show an **investment** volume of around **1,000 billion Euros** and costs of around 2,900 and 1,100 billion euros for closing the infrastructure gap in the west and east of the continent
- "European Silk Road" has the potential to **increase the GDP by 3.5%** and to **increase employment by 2 million people** over a 10-year investment period in the countries alongside the route
- Transport **time savings** on the north route of the "European Silk Road" of more than **8%** on average could enable the countries along the north route to increase their exports to Russia by more than 11%
- Given the current extremely low interest rates and the expected strong economic effects, a **"self-financed" investment** can be expected (IMF, 2014)



FAST PATHS, STRONG ECONOMIES: FOUR COUNTRIES TOOK A STRATEGIC DECISION

- An extensive feasibility study proves that this important project is feasible and can proceed to another phase
- With the start of the authority procedures in Austria and Slovakia, an important step has been made to link two major economic regions with one of the longest transport networks of the future
- The flow of goods will rapidly grow and therefore a sustainable logistics solution is necessary
- Four countries benefit: as industrial locations, export regions and a logistic hub
- Based on the results of the authority procedures in both countries, it will be possible to make more concrete decisions on the next steps in this project

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