

JSC “Russian Railways” contributes to the development of the transit potential of Russia

The key transit route through the Russian Federation runs East-West. Its potential is determined by many factors, but above all by the rapid development of the Chinese economy:

- ▶ in the Central and North-Western provinces of China, which are linked to the railway infrastructure of the CU countries, industrial growth from complex production exceeds 13% per year;
- ▶ the share of high added value products which are time-sensitive in respect of delivery dates is increasing in relation to the the total transit from China (currently 15-20%);
- ▶ China's export infrastructure is overloaded; the ports of Shanghai and Guangdong are currently working at 20-25% above their planned capacity level while the workload of the railway infrastructure in China is 7-8 times higher than the average European level.

JSC “Russian Railways” is involved in a project to create the transit East-West corridor through its subsidiary company “Russian Railways Logistics.”

In April 2012, in order to organize regular train container traffic on the Chongqing (China) — Duisburg (Germany) route, the joint venture YuXinOu (Chongqing) Logistics was established. Among its founders, (excluding “Russian Railways Logistics”) are transportation and logistics companies from Germany (Schenker China Ltd.), China (Transport Holding city of Chongqing — CQCT, China Railway company on International Multimodal Transport — CRIMT) and Kazakhstan (“Kaztransservice”).

The joint venture will enable the development of 3 PL format services. “Russian Railways Logistics” will provide support in Russia, including knowledge sharing in relation to the Russian market of freight transportation, as well as helping to solve certain technical issues.

In Q4 of 2012, as part of this project and in cooperation with the Organization for Cooperation between Railways (OSJD), two container trains using the unified CIM / SMGS consignment note (a single document which has significant benefits for transcontinental freight when crossing border points during) successfully cleared customs.