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Trans Caspian Sea Solution

Alternative solution connect China with Europe via Caspian Sea
in light of current situation between Ukraine/Russia

DB Schenker China Ltd. | Multimodal and Dedicated Solutions | Shanghai | Jan 2022

Ukraine/Russia Conflict

Our assessment

Most probably

Current situation continues, without further escalation

- Everything goes as it is

Possibly

Situation gets worse, conflicts start in Eastern Ukraine

- Traditional Eurasia railway transportation (either via Brest/Mala or via Kaliningrad) is nowhere close to Eastern Ukraine
- Suspend any route going via Ukraine territory (currently around 1-2%)

Highly unlikely

War begins between Ukraine and Russia, EU and Ukraine close border with Russia/Belarus, for all transportation module

- Full stop of all services going through Russia/Belarus which represent 99% of existing volume
- Trans Caspian Sea solution serve as backup plan



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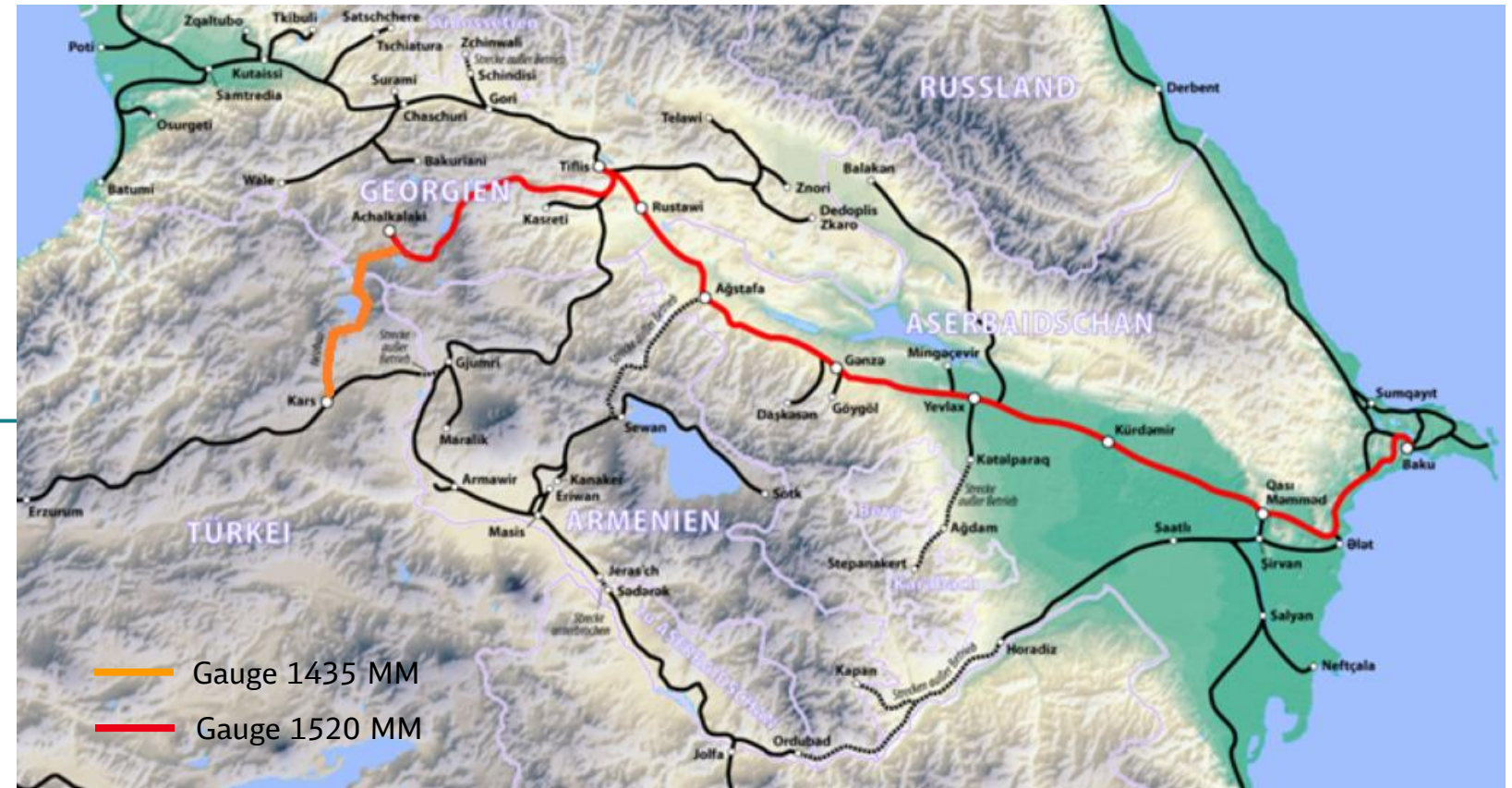
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General Information

BTK Railway

The existing Baku–Tbilisi–Kars (BTK) route is 846KM long, it is an international railway system connecting Azerbaijan, Georgia and Turkey.

Without involving Russia/Belarus or Ukraine



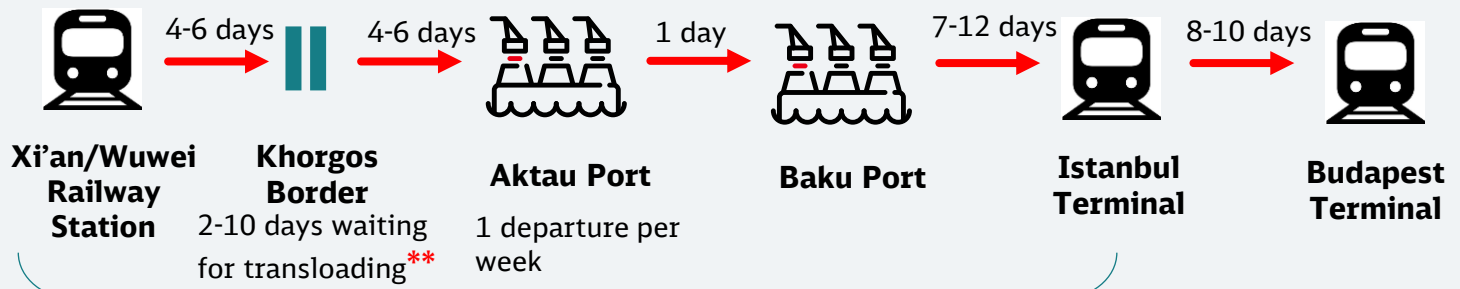
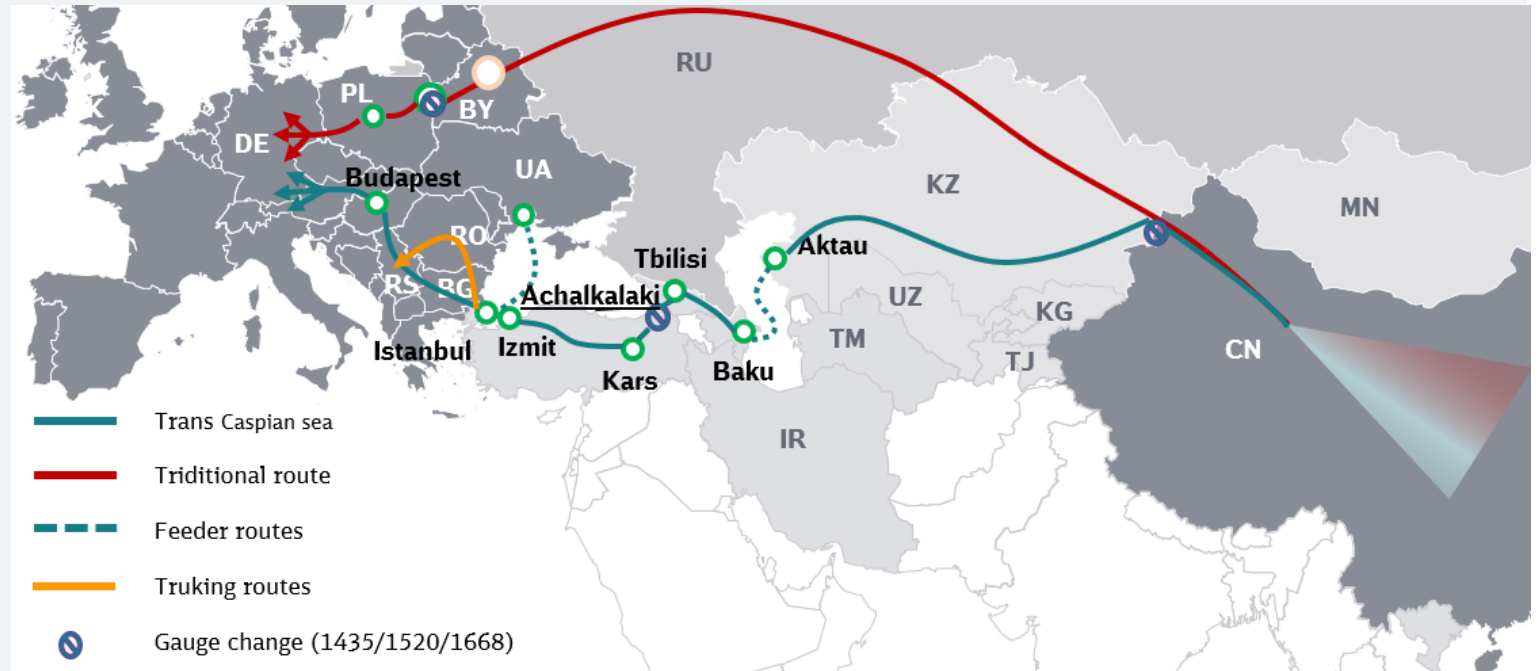
Trans Caspian Sea Solution

– Route(From CN border):
 Khorgos(CN)-Aktau port(KZ)-Baku
 port(AZ)- Beyuk-Kyasik(AZ)-**Akhalkalaki
 (GE)***--Kars Izmit or Istanbul
*** Transloading station**

– BTK:
 ♦ Train capacity: Regular
 ♦ Train capacity:54 FEU

– Ferry
 ♦ Ferry Frequency: 1 per week
 ♦ Ferry capacity:54 FEU

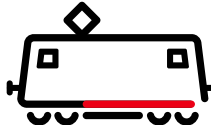
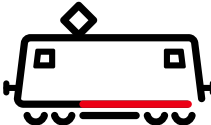
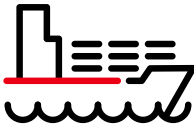
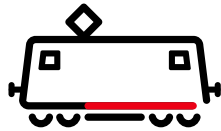
– Main solution connecting other region:
 ♦ Trucking from Izmit/Istanbul to
 Balkan countries :
 Bulgaria/Serbia/Romania
 ♦ Sea freight from Istanbul to Ukraine
 ♦ Railway from Budapest to
 Hungary/Austria/Czech and further
 connect with Western Europe



9500 KM

****In case delay due to Covid-19**

Trans Caspian Sea Solution

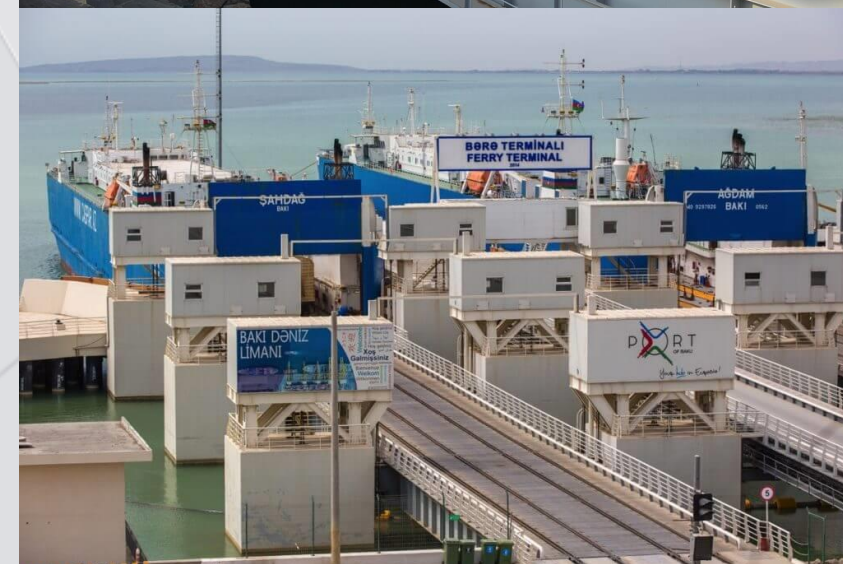


Aktau Port & Baku Port

Capacities:

- Direction – Baku-Aktau-Baku
- Distance – 253 nauticle miles
- Time of ferry travelling – 18 hrs.
- Time of terminal handling – 8-10 hrs.
- Restrictions on ship draft – 5,1 meters

A regular ferry service is established between the ports of Aktau and Baku (Azerbaijan). Railway ferries and RoRo ships transport oil products, consumer goods, grain and fertilizers, covering 253 nauticle miles for 18-20 hours. The ferry can accommodate up to 54 rail wagons and 35 heavy trucks.





2 Potential Risk

Railway



- Wagon shortage from KZ/Altynkol
- Capacity shortage form Turkey to Europe

Caspian Sea



- Limited ferry capacity for railway wagon
- Port congestion (especially under Covid-19)
- Weather impact around Caspian sea (for example feeder will not depart due to strong wind)

Document and Customs



- Various transit countries involved, different Customs procedure and requirements.

Cost



- Compared with traditional route , the overall cost will be 15-20% higher.

Thank you