

Common dimensions of European transport policy and the “Belt-Road” initiative

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Abstract: China’s stated objectives for the Belt and Road Initiative (BRI) refer to a broad intention to foster international collaboration with the countries involved, which focus on capacity building, liberalisation and facilitation of trade and investment, financial cooperation and people-to-people exchange. All of them are closely related to policies. According to our opinion, the most outstanding are the logistics objectives for the BRI, in order to support Chinese exports of products and equipment, as well as its engineering and construction capabilities and technologies and controlling logistics chains with Europe. Among the other not less important objectives is the necessity of balanced development across China.

Keywords: BRI, INTERNATIONAL TRANSPORT AND LOGISTICS, EUROPEAN TRANSPORT POLICY

Introduction

China’s engagement with the EU on the BRI is on individual basis. Since 2014, EU Member States and non-EU countries (mainly in Central and Eastern Europe), have signed Memoranda of Understanding (MoUs) with China within the framework of the BRI. In addition, a specific framework for cooperation between China and Central and Eastern European countries (the “16+1 Format¹”) has been implemented as a means to enhance the development of the BRI in these regions of Europe. The general impression is that there is a lack of coordinated and pan-European approach, still the key areas of EU-China cooperation in the field of logistics in order to secure liberalized market access and promote mutually acceptable international standards are concerning coordination of infrastructure investments and transport services. The EU-China “Connectivity Platform” is intended to be a forum to coordinate the infrastructure policies of the EU and China.

1. The mutual relation “European Transport Policy – Belt-Road Initiative”

The EC’s studies on the effect of BRI on traffic are hampered by the inability to determine the extent to which existing trade volumes will be affected by the initiative, given the levels of international trade between the Far East and Europe. In support of this, the volume of sea freight transport between the Far East and the EU in 2016 is just over 16 million TEU, with a tendency to increase more than twice, to about 40 million TEU by 2040. For the same period, in the air transport, the total two-way freight volume between Europe and the Far East was 3.3 million tons, with forecasts reaching 5 million tons by 2040 [1].

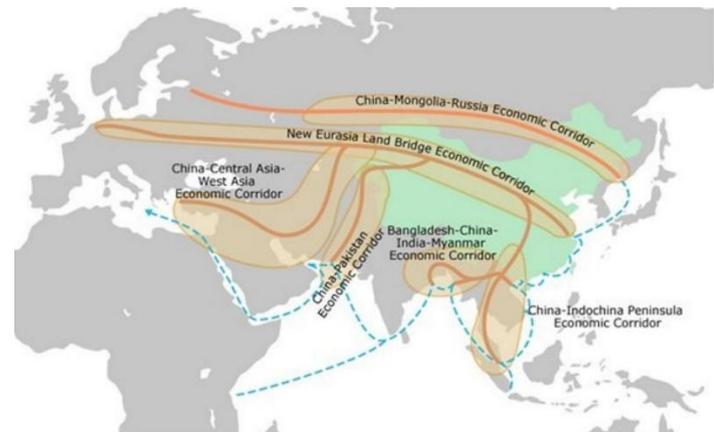
An interesting fact is the promotion of the movement of goods currently transported by sea and air between Europe and the Far East to rail, as a result of improved services, which is achieved through BRI. The results of the analysis show that around 2.5 million TEU can be transferred to rail by sea and 0.5 million by air by 2040. It is estimated that this equates to 50 to 60 additional trains per day or 2 up to 3 trains per day hour, in each direction. Rail services can be expected to be targeted at higher value goods and more time sensitive than current maritime transport. This comes as a further support to the efforts of European transport policy to revive and further develop railway freight transport.

Also, within the EU it is planned to make significant investments in the development of transport infrastructure, which will be made by infrastructure managers. The conclusion is that the One Belt One Road initiative for Eurasia partially overlaps the envisaged measures of the European transport policy with regard to logistics infrastructure.

Seven transport corridors are defined within BRI, among which the most important for the EU is the **New Eurasian Land Bridge Economic Corridor**: based on a railway line that connects Western China with Rotterdam (Netherlands) through Kazakhstan, Russia,

Belarus and Poland. It is obvious, that the logistic land connection between China and European Union crossed intermediary countries.

Map of the Belt and Road Initiative’s economic corridors



Source: Hong Kong Trade Development Council (HKTDC) Research

The goals focus on improving transport connectivity through investment in infrastructure, but also include measures to streamline processes to further improve connectivity, such as customs clearance procedures. They cover all modes of transport across the geographical scope of BRI.

Table 1

Transport related goals in BRI²

Area	Goal
Transport infrastructure construction	Focus on key passageways, junctions and linking up unconnected road sections, removing bottlenecks; road safety and traffic management facilities and equipment
Coordination and custom clearance	Building a unified coordination mechanism for whole-course transportation, increase connectivity of customs clearance, multimodal transport between countries, application of compatible and standard transport rules. Support for inland cities in building airports and international land ports, strengthen customs clearance cooperation between inland ports and ports in the coastal and border regions

¹ “16+1 Format” includes China, 11 EU Member States (Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia) and five Balkan countries (Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia).

² Source: National Development and Reform Commission of Republic of China (2015), <https://en.ndrc.gov.cn/>, cited in [1]

Land transport	Focus on jointly building a new Eurasian Land Bridge and developing the corridors along international transport routes, relying on core cities along the Belt and Road; using key economic industrial parks as cooperation platforms. Setting up coordination mechanisms for railway transport and port customs clearance for the China-Europe corridor, cultivate the brand of "China-Europe freight trains", and construct a cross border transport corridor connecting the eastern, central and western regions."
Maritime transport	Focus on jointly building smooth, secure and efficient transport routes connecting major sea ports. Focus on port infrastructure construction, smooth land-water transportation channels, port cooperation; increase sea routes and the number of voyages, and enhance information technology cooperation in maritime logistics.
Air transport	Expand platforms for civil aviation cooperation; improving aviation infrastructure

Further analysis of the transport related goals in BRI and European transport policy indicates, that infrastructure problems, digitalization and ITS are considered in both cases.

2. Degree of compliance between EU transport system and the requirements of BRI

Increasing the opportunities for improvement of transport and logistics connections between EU and China requires synergies to be achieved in the process of mutual efforts in this field. The European Commission (DG MOVE) and the National Development and Reform Commission of China (NDRC) established a Connectivity Platform in 2015³, accepting a common approach to connectivity, including the Trans-European Transport Network (TEN-T), and BRI. The cooperation includes information sharing to promote seamless traffic flows and transport facilitation, and between their relevant initiatives and projects; seeking co-operation opportunities between TEN-T and BRI, including establishment of a favourable environment for sustainable and inter-operable cross-border infrastructure networks in countries and regions between the EU and China; promotion of business and investment opportunities open to both China and the European side. Still, responsibilities between China and EU are not clearly distributed and future work is needed in order to co-ordinate TEN-T and BRT development.

7 of the 9 TEN-T corridors have a real east-west dimension: the Baltic-Adriatic, the North Sea - the Baltic Sea, the Mediterranean, the East /Eastern Mediterranean, the Atlantic, the North Sea - the Mediterranean and the Rhine-Danube. In practice, in the future, corridors with multimodal connections will extend from east to west and from peripheral geographical areas to the center of the EU.

The review of the European Commission's North Sea – Baltic Core Network Corridor Study [4] found that that rail infrastructure capacity in 2030 should be capable of meeting the current and forecast demand to that date. While bottlenecks may still emerge in the EU's transport network, specific changes to the TEN-T programme are not justified at the moment and are classified as premature and inadequate, depending on the future evolution of the BRI. One of the issues for TEN-T is whether there is a necessity for project modification in response to the effects expected from BRI, in order to avoid duplication or to be expanded according to the requirements of BRI-related traffic.

³ Source: https://ec.europa.eu/transport/themes/international/eu-china-connectivity-platform_en

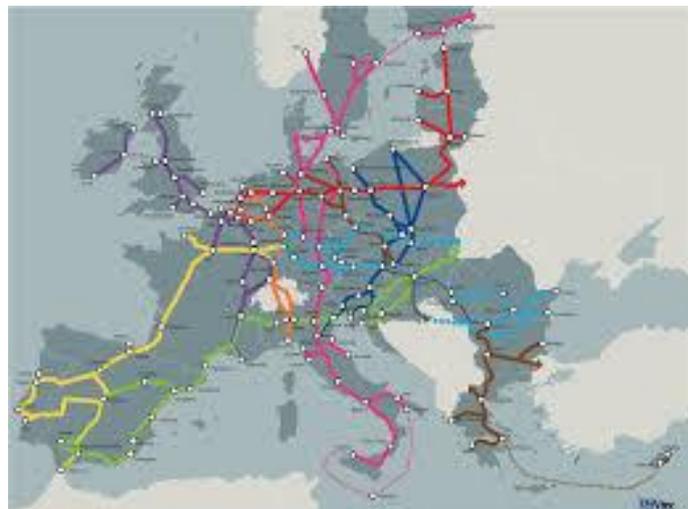


Fig. 1. Map of TEN-T in Europe affected by BRI [2].

The new European mobility strategy [3], together with an Action Plan of 82 initiatives⁴ will guide the directions EC has to implement for a reduction of 90% in emissions by 2050, delivered by a smart, competitive, safe, accessible and affordable transport system. It will shift the way people and goods move across Europe and make it easy to combine different modes of transport in a single journey. All the transport modes need to become more sustainable, with green alternatives widely available and the right incentives will lead to zero-emission mobility while making the European transport system efficient and resilient.

On **sustainable** area, the strategy highlights five main actions involving the introduction of zero-emission vehicles, vessels and aeroplanes, renewable and low-carbon fuels by 2030; creating zero-emission airports and ports; making interurban and urban mobility healthy and sustainable; greening freight transport; and pricing carbon and providing better incentives for users. The European Commission initiative highlights the benefits of rail as a sustainable, smart and safe means of transport and placing rail in the spotlight throughout 2021 across the continent means to further encourage the use of rail in order to contribute to the EU Green Deal goal of becoming climate-neutral by 2050.

On **smart** area, which includes the innovation and digitalisation of the transport sector, the actions must lead to a more connected and automated multimodal mobility system and the innovation is encouraged through the use of data and artificial intelligence.

To become a **resilient** transport, the European Commission is committed to reinforce the single market, to make mobility fair and just for all and to step up transport safety and security across all modes.

3. Conclusions

The investigation shows continuous mutual influence between European transport policy and BRI. There are also suggestions of the routes most likely to be used in the future for the shift of container traffic to rail, i. e. the route north of the Alps, towards EU Member States bordering the North Sea and the Baltic Sea⁵.

Due to the Covid-19 crisis, the completion of the EU-China Comprehensive Agreement on Investment (CAI) has been postponed until the end of 2020. It is an extremely ambitious

⁴ The action plan boosting long-distance and cross-border rail passenger transport will be proposed in 2021, involving all interested stakeholders are expected to test different models for new connections and services by 2030

⁵ The containers carried by rail would primarily be those previously shipped to North Sea ports, and would mainly travel along the route from Moscow (Russia) through Brest (Belarus) and Warsaw (Poland) to Berlin (Germany), including part of the TEN-T North Sea – Baltic Core Network Corridor [4]

agreement on which China and the European Union have been negotiating since 2013. When it is signed, the agreement will foster trade between Europe and China and will facilitate investment in the two regions. This agreement has the potential to make the Sino-European relationship one of the main cornerstones of world trade [5].

This CAI will replace the various existing bilateral investment treaties between China and most of the EU members. With this new agreement, European companies will have wider access to the Chinese market, and will no longer be required to create joint ventures with local Chinese partners. Despite the current health crisis, several BRI projects in Europe are still making progress; in particular the Budapest-Belgrade rail line.

3. References

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