

# **TSR (Trans Siberian Railway) , Tasks and Solutions**

**November 2010**

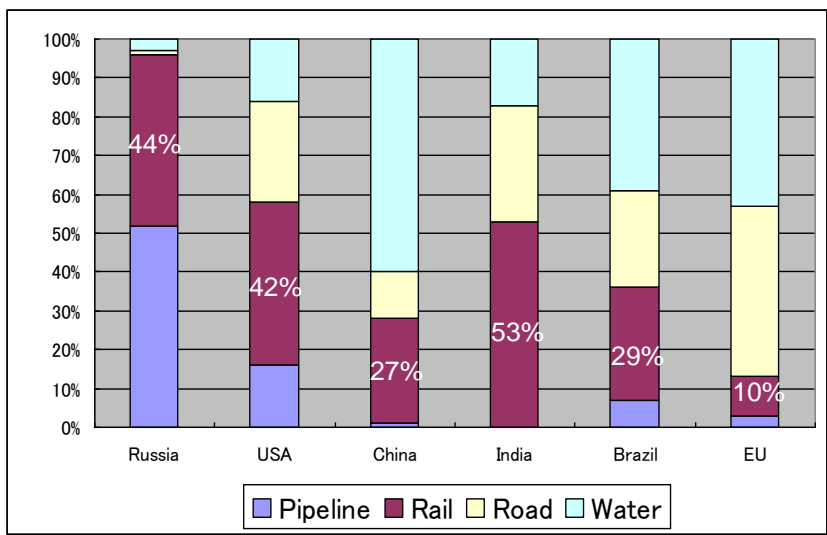
**Mitsui & Co.,Ltd.**

**Transportation Logistics Business Unit**

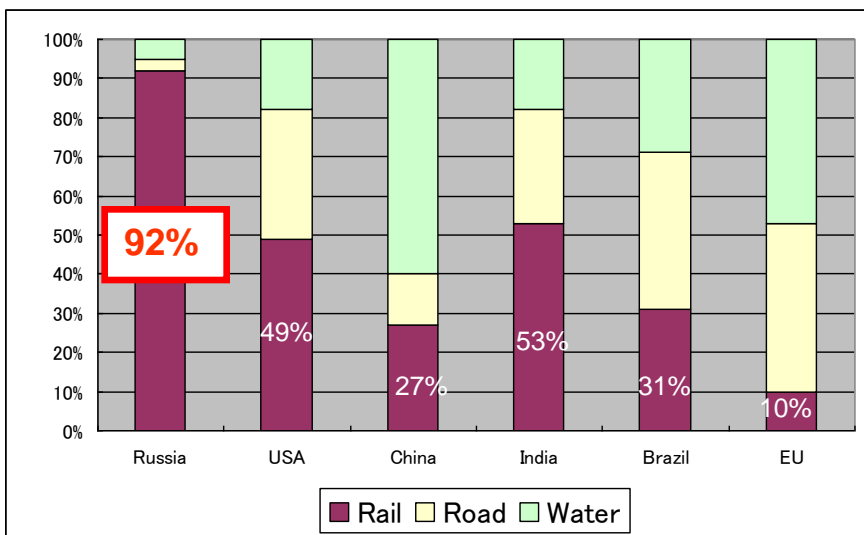


# 1. Railway is important infrastructure for Russia

Cargo Turnover per Transportation Mode, 2008, Including pipeline



Cargo Turnover per Transportation Mode, 2008, Excluding pipeline

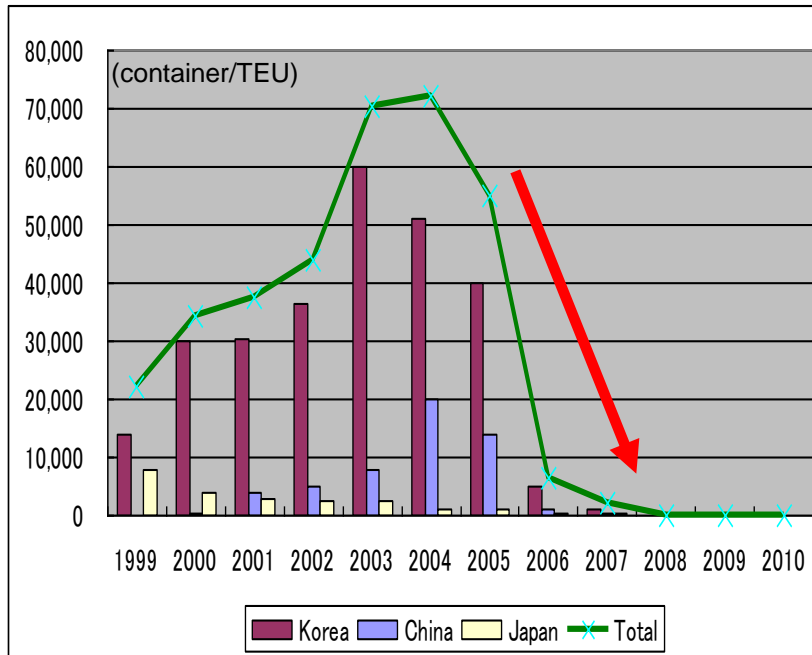


(Source: VTB)

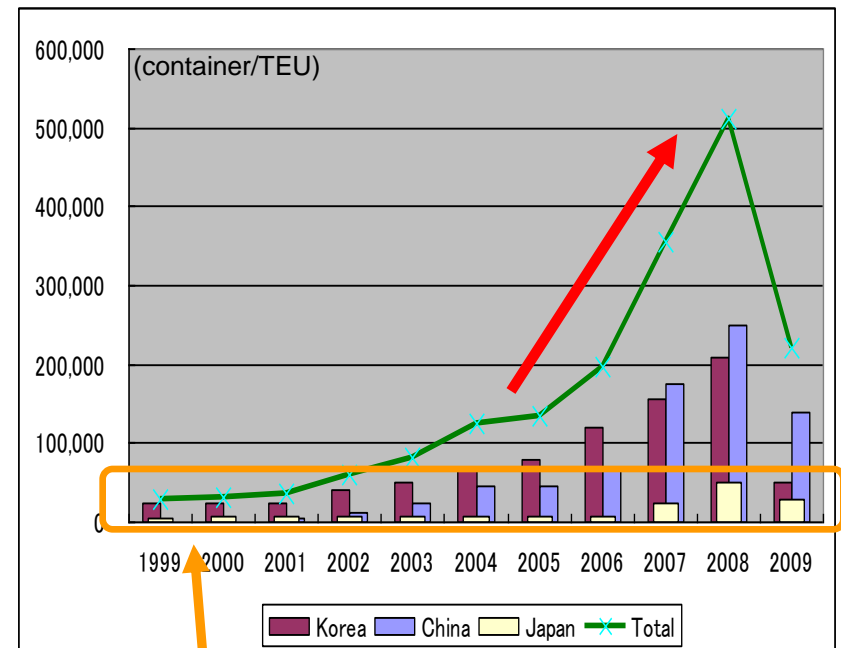
Development of logistics infrastructure and its capacity in Russia, especially railway, is important issue for Russian national interest and Japanese companies developing business in Russia.

## 2. Historical data of TSR utilization and Tasks

**Transit Cargo through Russia (Asia to Europe)**



**Bilateral Cargo to Russia (Asia to Russia)**



(Source: ERINA (The Economic Research Institute for Northeast Asia))

The reason why Japanese cargoes stay in a low level.

- 1) Competitiveness of Freight (Comparison with Ocean freight)
- 2) Customs Clearance (Bureaucratic Complicated procedures)
- 3) Concerns to the Transportation Quality (Damage to Cargo)

### 3. Solutions to increase utilization of TSR by Japanese Companies

#### (1) Stabilization and Competitiveness of TSR Freight

- Benchmark All Water Freight Rate is important.
- Stability of Freight Rate (Min 6 month to 1 year) is important
- Idea to set special discount rate for huge volume customer/All Japan Project.

#### (2) Custom Clearance System

- Simplification of Custom Procedure is important.  
(Including Company registration to actual custom operation.)

#### (3) Transportation Quality

- Mitsui to arrange a Joint Study between RZD, after collecting the Needs from Japanese Manufacturers.