

BULGARIA – THE NEW SILK ROAD'S GATEWAY TO EUROPE

22 May 2018

7th Black Sea Ports and Shipping 2018

WHO WE ARE



- BDZ Cargo is the Bulgarian state railway freight operator
- The company has over 40% market share
- Transported cargo for 2017: 6 230 000 tons
- Over 80 railway stations open for loading/unloading activities
- Total length of railroads: 4 070 km



- The biggest and most diversified locomotive and wagon fleet in Bulgaria
- Strategically deployed network of locomotive and wagon repair depots
- Electronic system for document handling and train tracking
- A team of seasoned experts

MAIN SERVICES

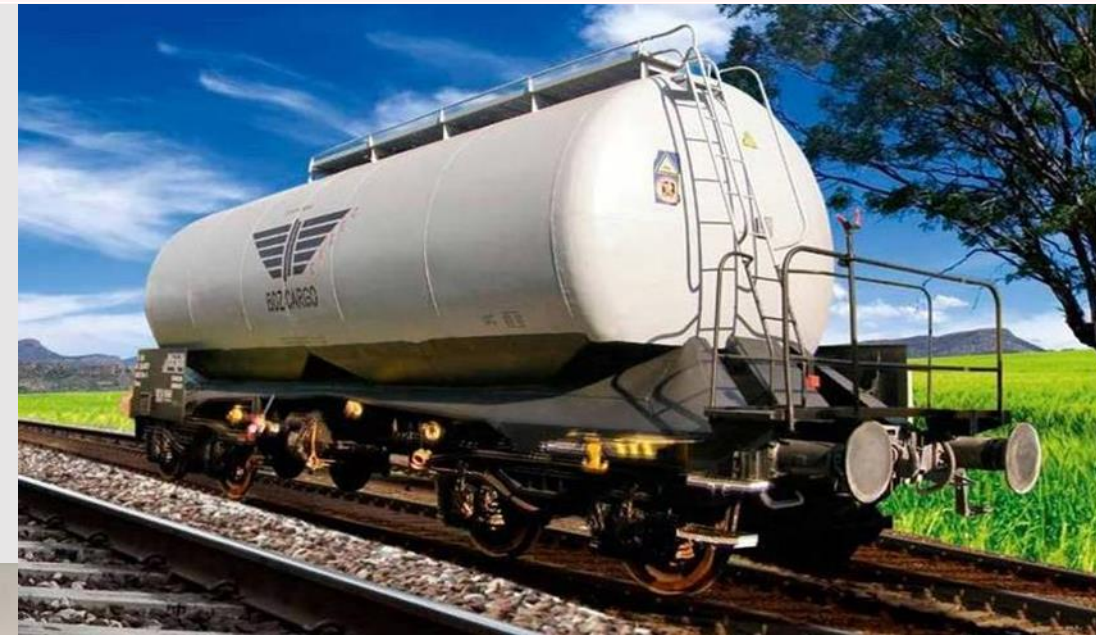
- Transport of goods in block-trains
- Transport of goods in isolated wagons
- Combined transports
- Transport of goods in route trains on routes, timetables and prices coordinated with the other RUs
- Transport on specially agreed transport schemes
- Transport of heavy-load, out-of-gauge and special consignments
- Transport of goods from/to the Black Sea ports Varna and Burgas, also in large-capacity containers, processed in the terminals of these ports
- Transport of goods from/to the Danube ports Ruse, Lom, Svishtov, Vidin
- Transport via the railway ferry lines connecting port Varna, port Caucasus (Russia), port Ilichevsk (Ukraine), ports Poti/ Batumi (Georgia), continuing the transport by rail from/to the countries of CIS, Central and Middle Asia.



VALUE ADDED SERVICES

- Customs clearance, financial guarantees, security and insurance for goods
- Routing
- Warehousing
- Tracking and tracing of wagons and containers
- Container terminals and logistic services
- Rental of locomotives
- Other shipping services

OUR FLEET





Europe

China

One Belt, One Road

— Silk Road Economic Belt

- - - Maritime Silk Road Initiative

GOODS AVAILABLE FOR RAIL TRANSPORT

Light industrial goods::

- High-value textiles leather products
- High value of clothes, shoes, bags
- Household appliances and small appliances
- High-value foods

Medical, mechanical ,electrical products:

- Medical equipment
- Medical equipment
- High-value medical products

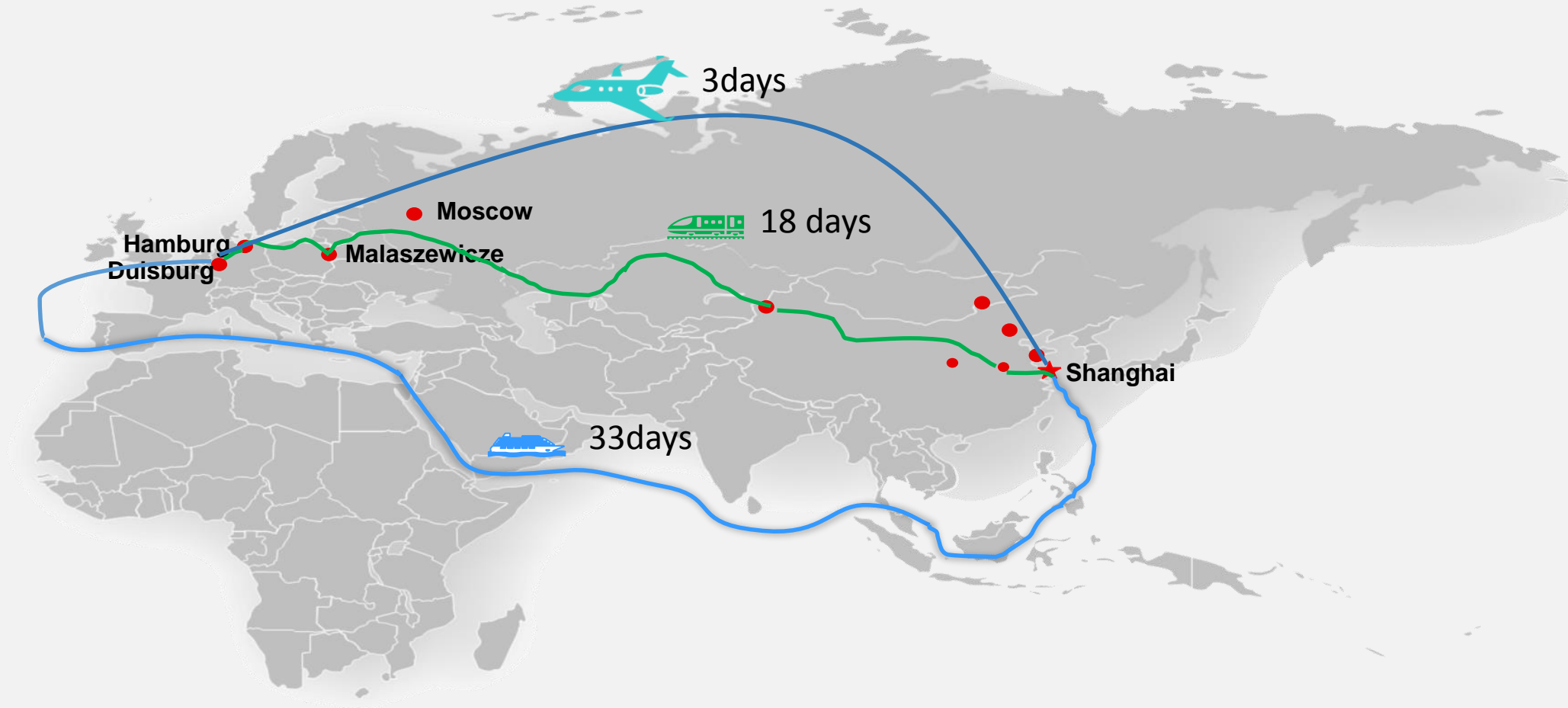
Consumer electronics products:

- Laptop, scanner,
- LCD, LED lights, etc
- Machines and equipment, anti-theft devices,etc

Automotive parts:

- Tires, bearings, brake parts
- Vehicle accessories
- Tooling and related products

CURRENT TRANSPORT CONNECTIONS CHINA - EUROPE



CHINA – EUROPE BY SEA



Advantages

- low cost;
- more load and capacity ;
- energy –saving.

Disadvantages

- under the influence of natural conditions;
- low fares ;
- bad flexibility;
- unstable freight;
- longer transit time 25 -33 days.

EUROASIA RAILWAY



West-Block train from China to Europe



EUROASIA RAILWAY

East-Block train from Europe to China



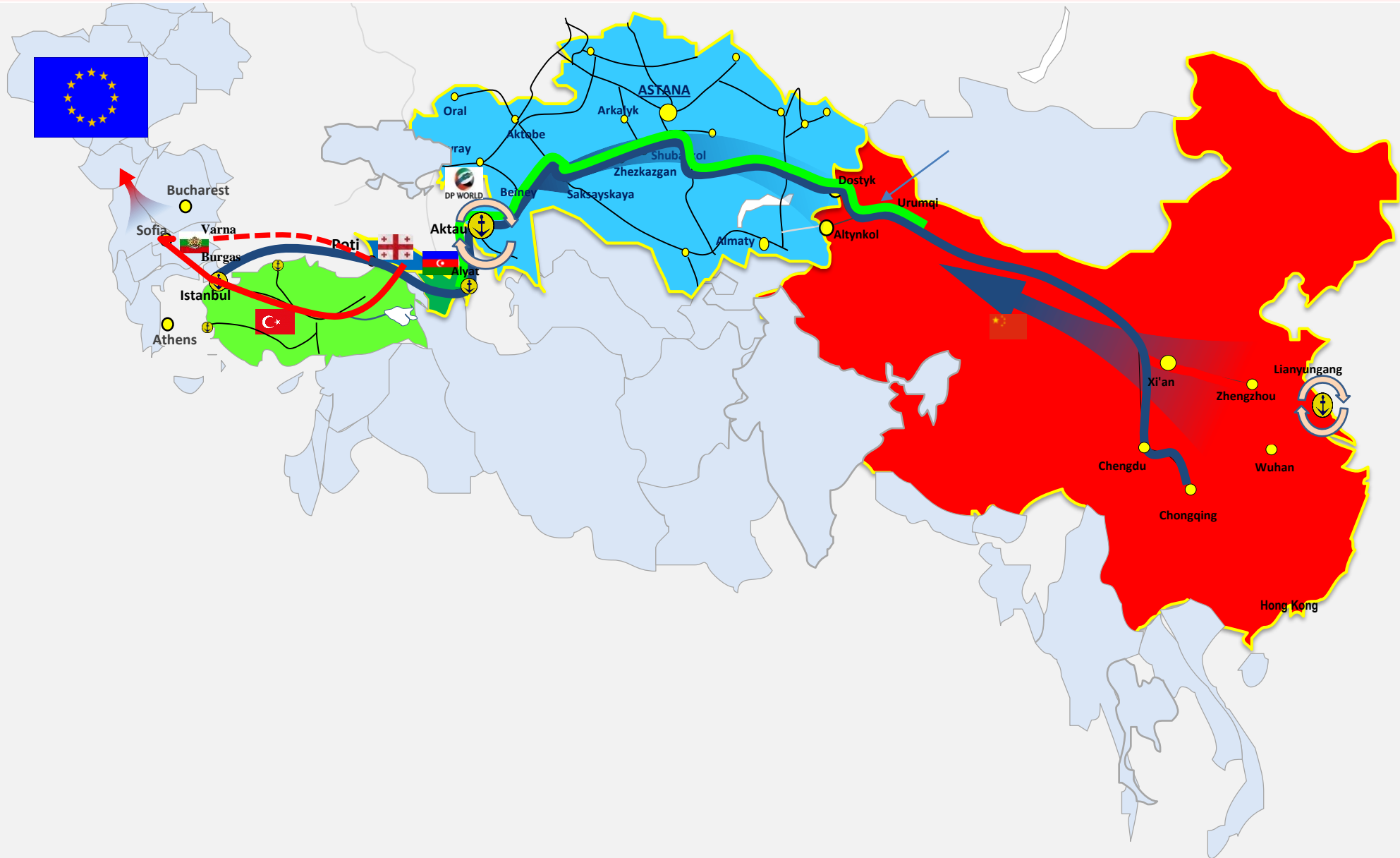
EUROASIA RAILWAY

Eurasia Railway has design a flexible solutions based on customers' requirements.

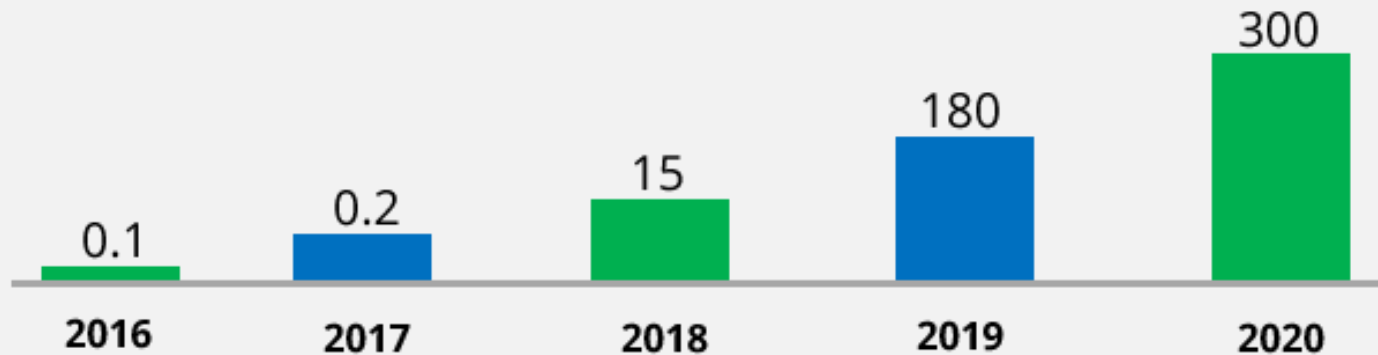
| Departure CFS | Destination CFS | ETD | T/T |
|---------------|-----------------|-----------|------|
| | | | days |
| Zhengzhou | Hamburg | Every Day | 18 |
| | Munich | FRI | 18 |
| | Warsaw | Every Day | 18 |
| | Duisburg | Every Day | 20 |
| | Malmo | Every Day | 23 |
| | Paris | Every Day | 8 |
| | Milan | Every Day | 23 |
| | Prague | Every Day | 23 |
| | Budapest | Every Day | 23 |
| Zhengzhou | Mscow | Every Day | 18 |
| | Brest | Every Day | 16 |
| | Minsk | Every Day | 18 |
| | St.petersburg | Every Day | 18 |
| Hefei | Warsaw | WED/FRI | 18 |
| | Hamburg | WED/FRI | 18 |
| Wuhan | Hamburg | WED/FRI | 18 |
| | Warsaw | THU | 18 |



Trans-Caspian International Transport Route (Middle Corridor)



Container traffic in direction China-Turkey (ths. TEU)



Container trains

- Shihezi (China) - Kishly (Azerbaijan) - 6 days
- 2 trains Lianyungang (China) - Istanbul (Turkey) - 18-19 days
- 3 trains Chandu (China) - Istanbul (Turkey) - 17 days
- Ilyichevsk (Ukraine) - Dostyk (Kazakhstan) - 16 days

Objectives



Development
of integrated logistics products along the TITR



Operating
an effective tariff policy, optimization of costs and reduction of price of an integrated service

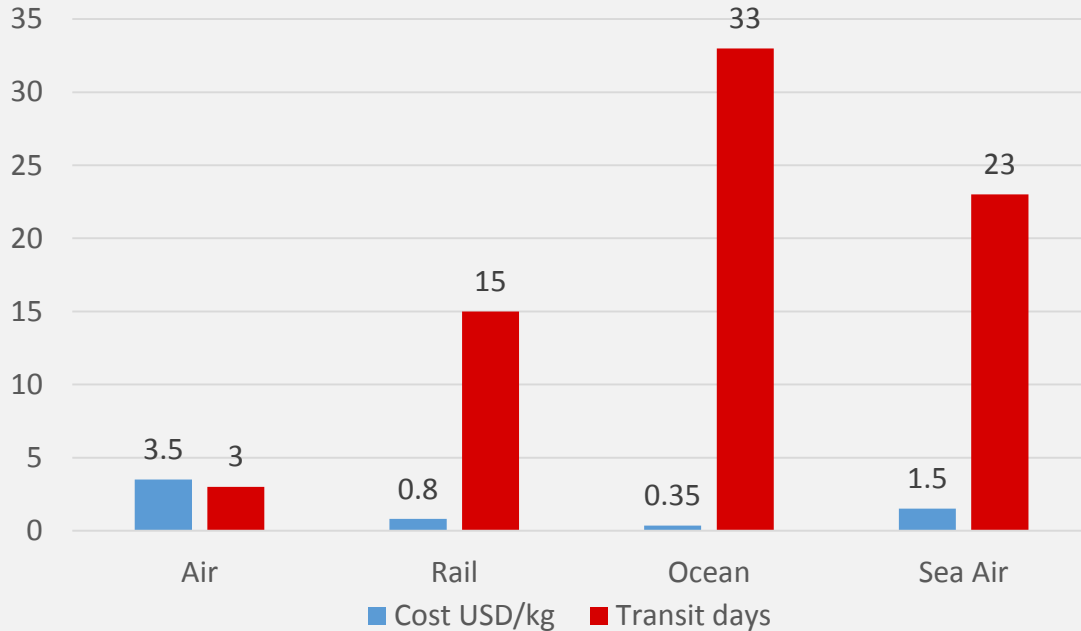


Facilitation
of administrative barriers related to the border and customs procedures and related to the shipment processing



Promotion
of the competitiveness of the route and
Attracting
transit and foreign trade cargo to the TITR

BENEFITS FROM RAILWAY TRANSPORT FROM CHINA TO EUROPE BY RAIL



- Safer & less affected by weather;
- Stable freight;
- Cost-effective for Eastern Europe;
- Simple price system;
- Energy-saving;
- Fixed departure station and destination station point
- The fixed railway transit routing ensured the transit time
- The fixed train traffic and departure time ensured the transit efficiency
- Determined price can be mastered easier according to ocean and air freight



Rail

(15,6 gCO₂/km)



Sea

(50,62 gCO₂/km)



Air

(540 gCO₂/km)



WHY BULGARIA?

GEOSTRATEGIC ADVANTAGES OF THE RAILWAYS IN BULGARIA



- Crossroad position of the country enabling the development of transit transport on the lines of the Pan-European transport corridors;
- Link with five European transport corridors: **IV, VII, VIII, IX and X**;
- Link with the OSJD corridors: **No 6** (Czech Republic, Hungary, Romania, Bulgaria, Turkey, Iran, Turkmenistan), **No 12** (Moldova, Romania, Bulgaria);
- Link with the **TRACECA** transport corridor (Europe- Caucasus- Asia): through Burgas Port, Varna Port, Varna Ferry);
- A railway link with the **Black Sea ports** of Varna and Burgas and the **Danube ports** Lom, Ruse, Svishtov, Silistra and Vidin.



FERRYBOAT COMPLEX VARNA

BDZ Cargo is the only railway freight operator in the Ferryboat complex Varna

Ferryboat lines:

- Varna – Chornomorsk
- Varna – Chormonorsk – Poti/Batumi
- Varna – Caucasus

Combined transport:

- Transport of goods in wagons
- Transport of trucks/semi-trailers
- Transport of containers
- Other deck loads and automobiles

Services:

- Change of wagon bogies from gauge 1520 mm to 1435 mm for import wagons; and from 1435 mm to 1520 mm for export wagons;
- Transshipment, loading and unloading with different technologies.



FERRYBOAT COMPLEX VARNA

TRANSITIONAL BRIDGE

Length – 40 m; Width from the side of the ferryboat – 18,5 m; Width from the side of the ferryboat complex – 8,6 m; Weight – 300 t



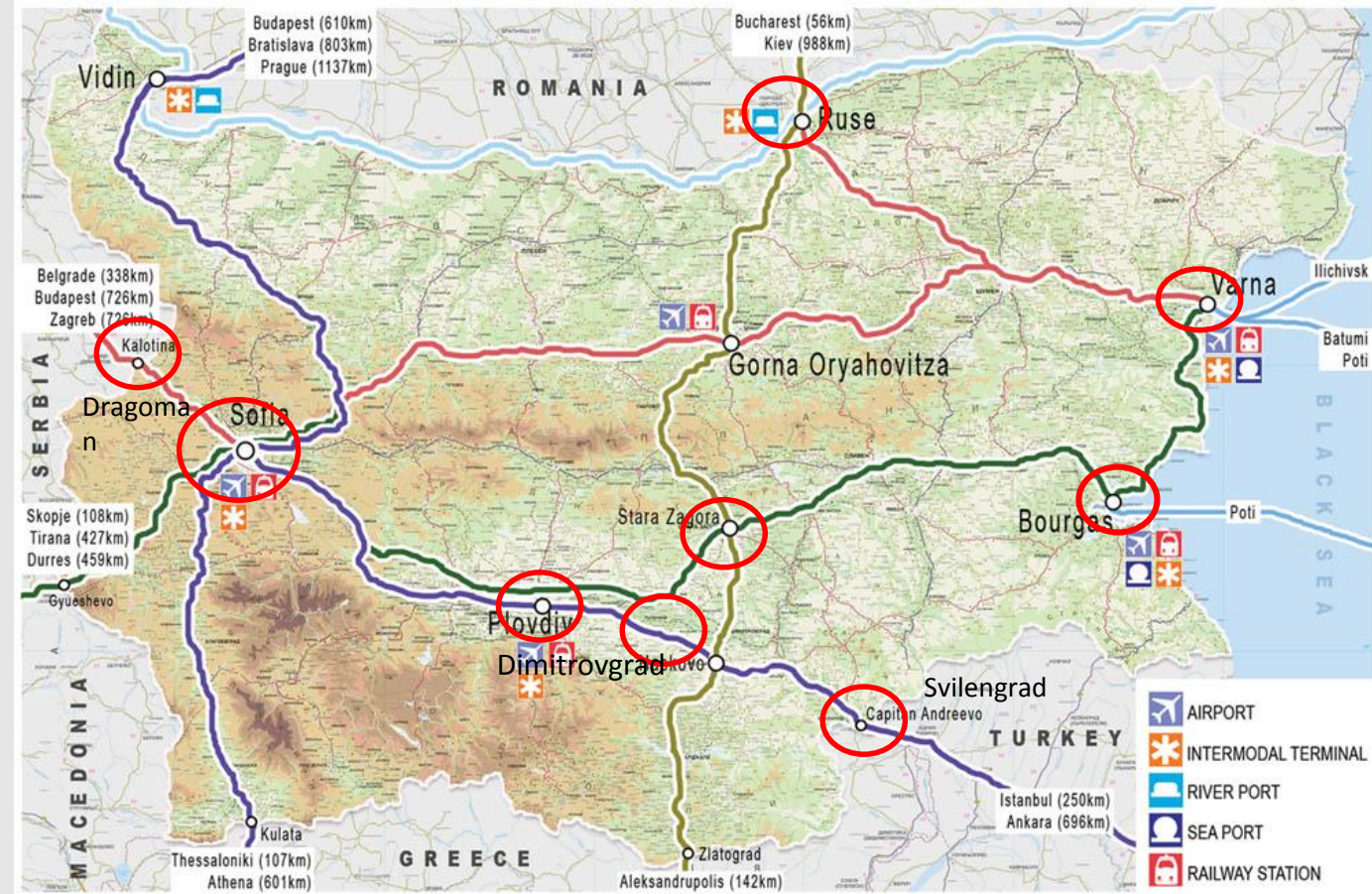
WORKSHOP FOR CHANGING BOGIES

The ferryboat complex Varna is the only place in the Black sea region for changing wagon bogies from European (1435 mm) to Russian standard (1520 mm) gauge. The workshop is equipped with two universal tracks, with 12 positions each. It has the capacity for changing the bogies of 280 wagons Sea region with possibility for changing wagon per day.



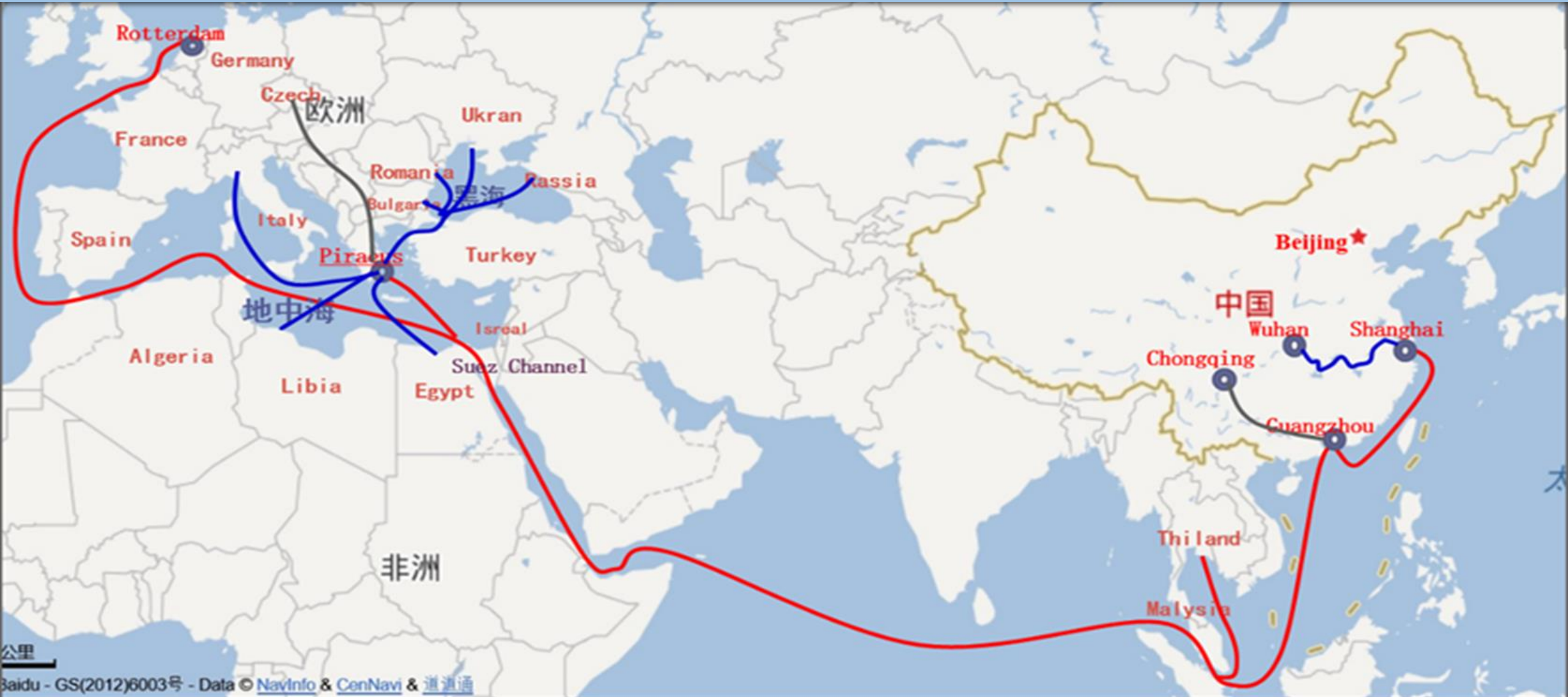
TERMINAL NETWORK

- Current terminals:
 - Sea – Burgas, Varna, combining sea, rail, road modes
 - River – Ruse, combining river, rail, road modes
 - Land – Sofia, Plovdiv, Stara Zagora, Dimitrovgrad, Dragoman and Svilengrad, combining rail and road modes
- Under construction:
 - Intermodal terminal Ilientsi, Sofia, combining rail and road modes
- Planned for construction:
 - Multimodal terminal Voluyak /rail and road modes/



China - Europe Project

To enhance the role of the railway for distributing goods from China via Balkans allover Europe





Port of Piraeus

- Main part of the current traffic of Cosco runs from port of Piraeus to Central Europe and v.v. via Serbia and Macedonia – **1000 trains annually.**
- Weak points: overcapacity, problems at borders causing traffic interruptions.
- Expected traffic via Bulgaria and Romania to Central Europe:
 - short-term - **1 train/week**
 - up to 1 year - **3 trains/week**
- Set-up of regular train service **port of Piraeus – Sofia – 1 train/ week**, with future extension of the line towards Bucharest.

Port of Thessaloniki

- The privatization of the port of Thessaloniki and the promising investment plan of the new owner.
- Set-up of regular train service for Chinese cargo from port of Thessaloniki – Sofia.
- Expected traffic up to 1 year - **3 trains/ week.**



THANK YOU FOR YOUR ATTENTION

Lyubomir Iliev
General Manager

BDZ Cargo

Mobile: + 359 889 144166

e-mail: liliev@bdz.bg

www.bdz.bg