

**Minutes of the Fourth Meeting of the Expert Group (1) constituted by the
Coordination Council of the International “North-South” Transport
Corridor on “Commercial and Operational matters” held on
20th - 21st October, 2005 at New Delhi, India**

The Fourth Meeting of the Expert Group on “Commercial and Operational matters” in accordance with the Statute of the Coordination Council of the “International North – South Transport Corridor” (INSTC) was held in New Delhi, India on 20th - 21st October, 2005.

The list of delegates of the Participating countries is enclosed.

1. **Statement by the participating States (Parties) on the progress made in the operationalisation of the INSTC**

The Parties exchanged information on the progress made in the operationalisation of the INSTC. It was felt that there is a need to expedite the work within the framework of the agreement on INSTC and the respective national action plans on the matter.

2. **Implementation of the Minutes of the Third meeting of the Expert Group**

The Expert Group reviewed the implementation of the recommendation of its Third Meeting held at Astrakhan, Russian Federation from 1 – 3 December, 2003 covering the following issues and made the following observations.

2.1 The Russian side, while emphasising the need for expeditious development of the transport infrastructure on the North-South Corridor, apprised the Expert Group of the various measures being undertaken for the improvement in the infrastructure in Russia. These measures are as follows:-

- i. A 50 KM railway link has been constructed between Yandinki station and Port Olya. From 15 March 2005 this line has been included in the official Russian Railway Network Register and the port Olya station has been given a station code. It takes 3 days for the transit goods to reach European destinations from the Olya station. The average distance covered by containers on this rail link is 700 – 800 km per day.
- ii. As per the project, the handling capacity (loadability) of the port in the first phase (2008) is 4 millions tonnes and in the second phase (2010) 8 millions tonnes, which will finally be increased to 14 millions tonnes. The handling cost of containers at the port Olya will be cheaper than at Astrakhan port.
- iii. At present, the Russian side is working to achieve uniformity of Railway Tariffs at both the ports. The container terminal and the infrastructure at port Olya has the capacity to handle the movement of 20’/40’ containers from the vessel on to the wagon; then on to Automobile Carrier and vice-versa. A more detailed description of the technical resources of port Olya will be added to the table No. 1.

After due deliberations, it was decided that all Member countries should mention all relevant information regarding Port facilities / capacity, terminal capacity, railway

links etc. available at their respective Ports on their Websites in English language. Subsequently, each Member country should convey the details of the website addresses of their respective Ports, Rail, Shipping, Road, Customs authorities, as also the websites of the Private Shipping lines / Transporters etc. to the Iranian side. Then the Iranian side will be able to create suitable hyper-links from the official website of the North-South Corridor viz. www.instc.org to each of these individual websites of all member countries.

- 2.2 The Russian side also conveyed the steps that are being taken to improve / reduce the Customs clearance formalities in Russia and informed the Expert Group that there is a new technology that is being implemented in Russia for the movement of the containers via Russian Far Eastern Ports to / from Korea, China etc., which enables the completion of the Customs procedures within a few hours.

Indian side stressed that Railway transport should be made more popular (in preference to Road transport) to reduce the overall cost of transportation on the Corridor, which would be more cost effective and not have the restriction on weight of containers unlike in the case of Road transport.

- 2.3 Subsequently, the Iranian side elaborated the details of the various reforms implemented in the Railway links / network connecting the various ports in Iran.

The Iranian side also conveyed that if all the documents are made available in advance, then the Customs clearance at Bandar Abbas would be done on an immediate basis, otherwise, it may take around 48 hours. They also mentioned that it should be emphasized to the Exporters that the actual contents of the Containers should tally with the documents (i.e. Packing list) submitted.

- 2.4 The Iranian side provided further details about the Rail transportation as follows:-

Cost of Container transportation by Rail Wagon: US\$ 570 / TEU between Bandar Abbas and Amirabad. The Wagon capacity is 67 tonnes and hence can carry say 3x 20' containers, even upto 20 tonnes each.

- 2.5 The Iranian side also provided details about a new project under consideration / implementation, namely a new Railway link connecting Bandar Abbas – Gazvin – Rasht – Bandar Anzali – Astara (Iran) – Astara (Azerbaijan) – Moscow. It was also conveyed that this new link is expected to take around 7 years for completion if only Iran implements it singly. However, if other Member countries also contribute / associate with the project, it could be completed in a period of around 2 years.

Indian side observed that this new link would be very cost effective compared to the Caspian Sea Marine transport link as it eliminates lift-on / lift-off of containers for transferring containers from Rail / Road to ship and vice versa. The only operation required in this new proposed Rail system is for the entire wagon to be lifted from the Astara (Iran) Rail Axle and put on to the Astara (Azerbaijan) Rail Axle because of different gauge.

In connection with the above stated project, there has been an agreement between Russia, Azerbaijan and Iran to form an International Consortium and the

corresponding documents have been signed by the leaders of the Railways of the three countries.

In order to expedite the above project a Railway line has to be constructed between Astara in Azerbaijan and the container terminal at Astara in Iran, which consists of a 3 km long bridge on the river Astara-Chai with a part of the bridge in Iran having a 2 km length till the terminal.

- 2.6 The Iranian side conveyed that they will be updating the data for the existing ports and would be adding Amirabad Port in the Table and would also specify the relevant data. The Russian side also conveyed that they will be updating the data for the existing ports and would add Olya Port in the Table and would also specify the relevant data.
- 2.7 **Study Group Report:** The Indian representatives who had carried out a joint study along with the Iranian representatives in respect of the Iranian locations have prepared their report. This report was forwarded to the Iranian side for their comments. Pending this, a copy of the said report was given to all the delegates participating in the 3rd Meeting of the Coordination Council and 4th Meeting of the Expert Group (1) as well as Expert Group (2). It was agreed that the comments / suggestions of the Member Countries on the said report would be forwarded to the Depository State in due course. Similarly, the Member Countries will prepare their respective reports on the locations / operations on the Corridor Route in the territories of the other Member Countries and submit the same to the Depository State. Based on the above mentioned comments / suggestions of the Member Countries as also on their respective additional reports, a Joint Report would be finalised by the Study Group for consideration of the Coordination Council.

It was agreed that the forthcoming Study visits of the respective teams of the Member Countries to the other Member Countries for preparation of the above mentioned reports should take place expeditiously, so that the Joint Study Group Report can be submitted within three (3) months of this date.

- 2.8 In order to facilitate effective coordination between the Member Countries for accelerated operationalisation of the Corridor, it was suggested by the Iranian side that each Member Country should nominate one or two nodal officers, who would communicate among each other through E-Mail regarding related matters, instead of waiting for the official level meetings to take place. These nodal officers should, in turn, provide the necessary inputs to the two Expert Groups.
- 2.9 It was agreed that all the participating countries will give data on cost and time for each activity involved in multimodal transport on this route covering, inter alia, Terminal Handling Charges, Customs processing charges, Transport Costs separately for shipping, road and railway transport both for 20' as well as 40' containers, including time for such activities. This information should be provided within 3 months of this date to the Depository State, so that the Depository State could circulate the same among the Member Countries.
- 2.10 The Expert Group underlined the importance of two way cargoes on this Corridor route for the route to be more cost-effective, and hence requested Member Countries

to make their best efforts for creating a conducive environment to encourage two way cargo movements on this route.


3. The Expert Group decided to make the above mentioned recommendations to the Coordination council.

Signed on 21st October, 2005 at New Delhi, Republic of India in 3 originals in English each being equally authentic.



Mr. S.S. Rangnekar

**Delegation of the
Republic of India**



Mr. Mohammad Javad Atrchian

**Delegation of the Islamic
Republic of Iran**



Mr. A.V. Lavrishchev

**Delegation of the
Russian Federation**

List of Participants of the fourth Meeting of Expert Group (1)
of the Coordination Council of the International North-South Transport
Corridor, 20th – 21st October, 2005 in New Delhi

The delegation of the Republic of India

1. Mr. S.S. Rangnekar, Director (L&PS), The Shipping Corporation of India Ltd., Mumbai
2. Mr P.K. Mahapatra, Director, Ministry of Commerce and Industry, Department of Commerce, Udyog Bhavan, New Delhi
3. Mr. Pradeep Kumar, Director, Department of Shipping, Ministry of Shipping, Road Transport & Highways, New Delhi
4. Capt. H.J. Treasuryvala, Chief Executive – Iranian Shipowners Agency Division, M/s J.M. Baxi & Co., Mumbai

The delegation of the Islamic Republic of Iran

1. Mr. Mohammad Javad Atrchian, Director General of Transit Office and Head of North-South Corridor Secretariat, Road Maintenance and Transportation organization, Ministry of Road and Transportation
2. Mr. Khezer Khalaschi, Chairman of the Board, Zanjireh Shipping Company and Representatives of Iran International Transportation Companies Council
3. Mr. S.M.R. Shams Dolatabadi, Economic and Commercial Counsellor, Embassy of Islamic Republic of Iran
4. Mr. Ahmad Seifi, a legal expert, Foreign Ministry, Iran
5. Mr. Mohd. Hossain Bani Asadi, Expert, Foreign Ministry, Iran

The delegation of the Republic of Russia

1. Mr. A.V. Lavrishchev, Deputy Director of Department, Ministry of Transport
2. Mr. V.V. Gavrilov, Deputy Head of Division, Russian Shipping Agency (Rosmorrechflot).
3. Mme T.V.Zakharova, Deputy Head of Division, Russian Railways Agency (Roszheldor).
4. Mr. Pehterev F., Russian Zalwar, Russia