# India - BSR Trade Exchange and Connectivity: A Myth or Reality?


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**TRANSBALTIC CONFERENCE 2011**

**Skelleftea, Sweden**

**11-12 May 2011**

## Antwerp launches daily rail freight service to China

Isabel Lesto | Wed, 11 May 2011

**Customs authorities along the 10,000km route plan to share data to speed-up transit time**

**The first scheduled departure of a new Antwerp-Chongqing rail connection left the Belgian port on Monday, carrying a mixture of bulk cargo and container freight.**

**The five-days-a-week service, operated jointly by Hupac, Russkaya Troyka and Eurasia Good Transport, goes from the port of Antwerp's Combinant terminal through Germany and Poland to Ukraine, Russia, Mongolia and China – more than 10,000km.**


**Antwerp port spokesman Annik Dirkx said: "By rail, the journey takes between 20-25 days, while the sea route takes up to 35 days."**

**It was a myth a decade ago, now a reality!**

**The type of cargo moving eastbound is largely chemicals, while westbound goods are mostly automotive and technological goods.**

# Presentation Outline

- Importance of BSR
- BSR – India trade pattern
- Barriers to trade
- BSR - India transport linkages
- Challenges and way forward

# BSR in EU (2009)

| | BSR10* | BSR11 |
|---|---|---|
| GDP share (%) | 55.71 | 43.34 |
| Population share (%) | 0.50 | 0.93 |
| Area share (%) | 0.86 | 7.47 |

*Excluding Russia

Source: World Bank

# BSR Economy (2009)

| | GDP (US$ trillion, current price) | GDP per capita (US$, current price) | Population (million) | Area (% of world) |
|---|---|---|---|---|
| BSR 11 | 7.57 (PPP: 7.08) | 34,815 (PPP: 27,666) | 303.63 (5%)* | 14.40 |
| India | 1.16 (PPP: 3.36) | 1,017 (PPP: 2,947) | 1,139.96 (17%)* | 2.45 |

*As a percent of world population

Source: World Bank

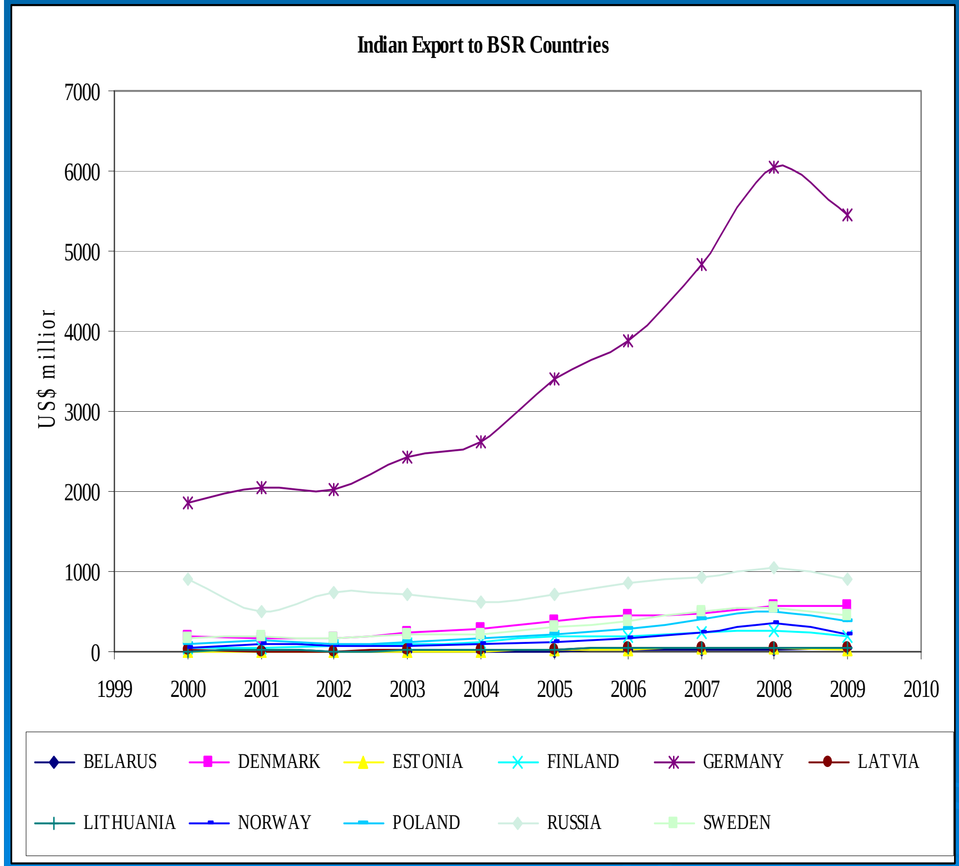
# India – BSR Trade

# India – EU Trade

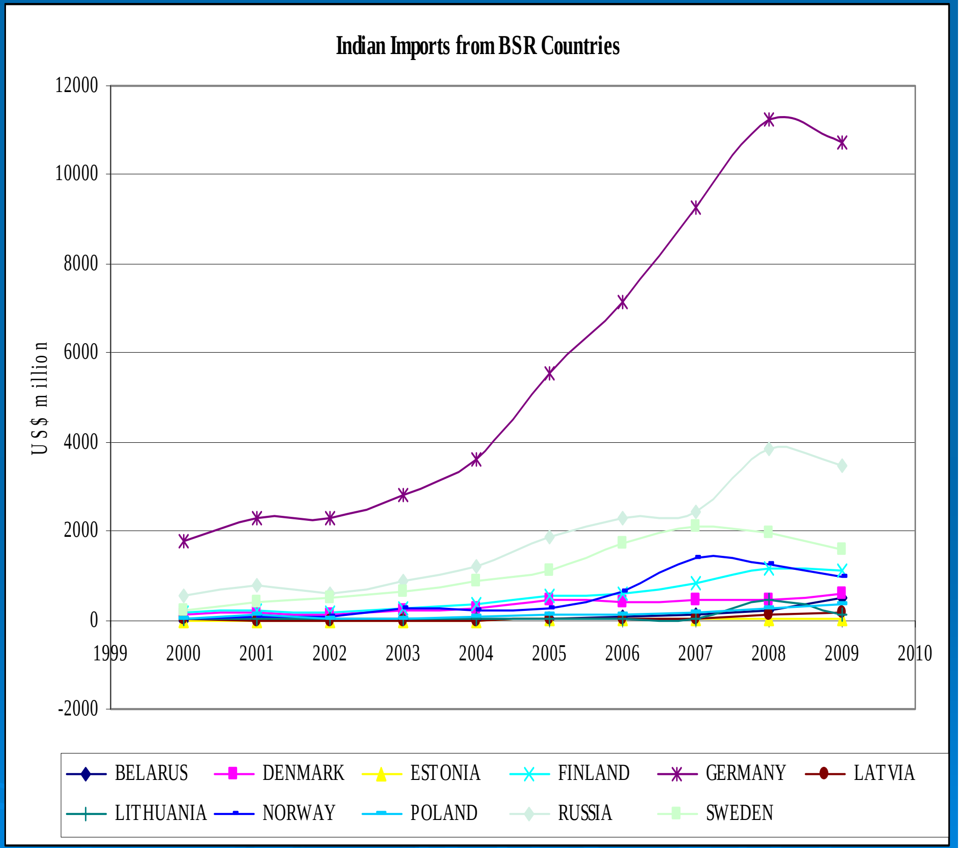
- EU is India's one of largest trading partners
- India ranks as the EU's 10th most important trading partner
  - Two-way trade increased from US$ 21 billion in 2000 to US$ 72 billion in 2009
  - Trade in goods more than doubled over 2000-2008 (EUROSTAT 2011).
- In 2009, about 25% of total India's exports went to EU and 18% of India's total imports came from EU.
  - Unfavourable balance of trade (about US$ 3 billion, avg, 2005-2009)
- Top export destinations within the EU were Germany (26%), followed by the United Kingdom (16%) and Belgium (13%).
- Goods exports have grown at an average of 14% per year, particularly commodities and manufacturing goods.
- High intra-industry trade potential between India and EU
- A large portion of India – EU trade is remained unrealized.
- India – EU FTA negotiation is in advanced stage of negotiation (expected to be signed next month).

# India - BSR Trade: 2000-2009

## (a) Export




## (b) Import




Source: IMF

# Exchange of Products

- BSR is heavily trade dependent.
  - Almost 100% of GDP is the trade openness. It even outnumbers Euro area in trade openness.
- India is relatively less opened in trade.
  - Export of goods and services contributes 23% of GDP (2009).
- BSR exports to India increased mainly in machinery and transport equipment and other manufacturing goods.
  - These product groups account for over 70% of the total Indian imports from BSR countries.
- Indian exports to BSR increased with textiles and clothing and chemicals accounting for 80% of exports to BSR.
- BSR has a substantial trade deficit with India in agricultural products, energy, and textiles and clothing, which is not the case in machinery and transport equipment on which the balance is positive.
- Trade integration between India and BSR may depend on trade competitiveness and complementarity.
  - Stronger complementarity between BSR and India would lead for higher trade exchange, thereby strengthening economic integration.

# Trade Complementarity

- India had trade complementarity of 39.50% of its exports to BSR in 2009, increased from 35.57% in 2003.
  - There is relatively higher trade creation potential between India and BSR.
  - Changes in trade complementarity over time indicate trade profiles are becoming more or less compatible.
  - Trade complementarity indicates that bilateral trade between India and BSR has greater potential to grow since trade in similar product lines has started growing, leading towards deepening production networks between them.
  - High degree of complementarity indicates more favorable prospects for a successful trade arrangement between India and BSR.

# Intra-industry Trade (IIT)

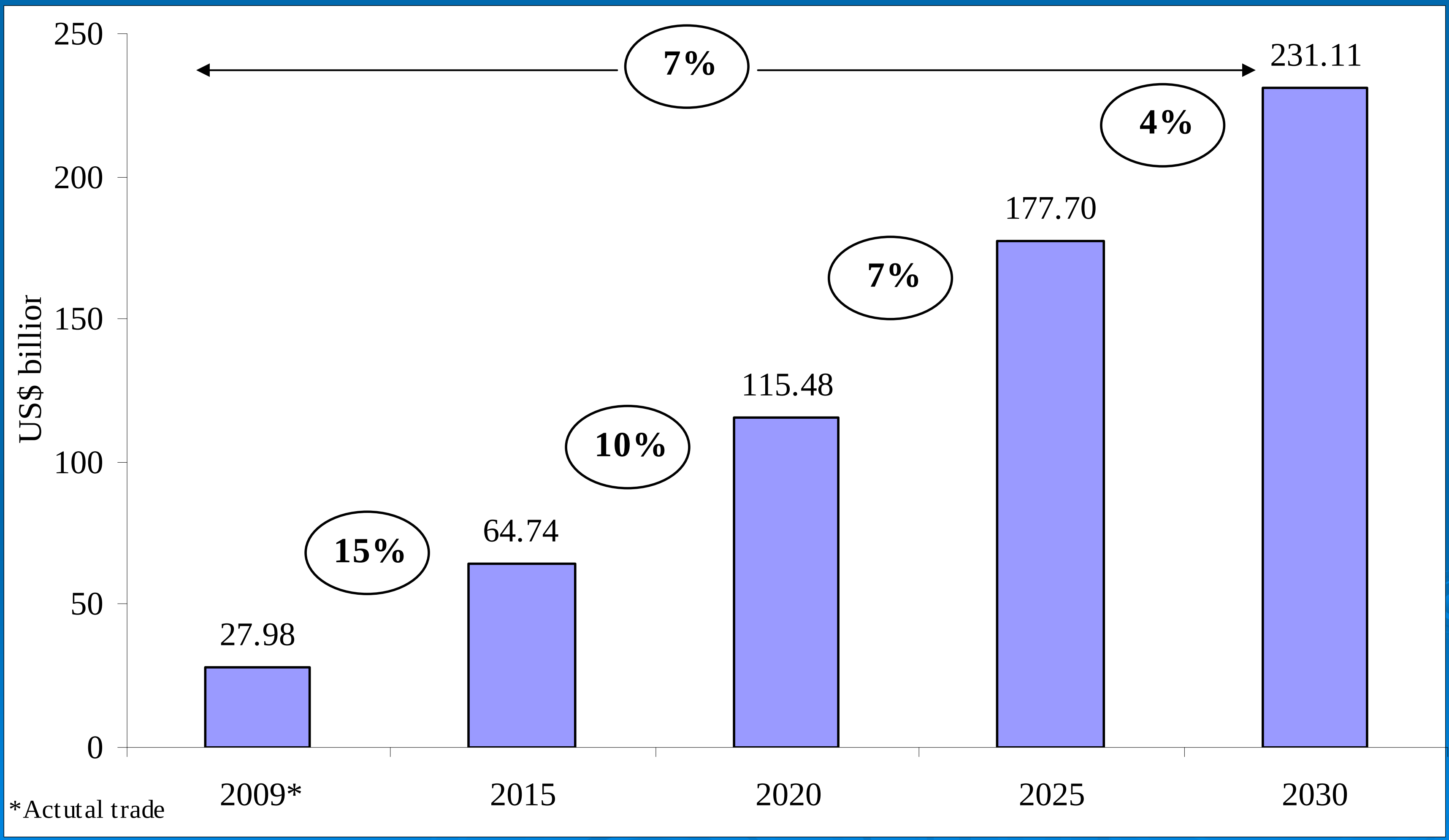
- IIT levels are higher in manufacturing goods than primary good, reflecting the greater role of economies of scale in the production.
  - There are production-sharing opportunities in chemical, electrical and electronics, machinery and mechanical appliances, iron and steel industry, etc. products.
  - Germany offers highest intra-industry trade potential in 210 products (IIT>0.50), whereas Norway offers IIT potentials in 49 products only.

# Summing-up

- Prospects of increasing trade between India and BSR may depend more on the existence of product complementarities and intra-industry trade.
- The success of trade between India and EU may depend crucially on the extent to which the larger market, India, given its relative size, becomes more accessible to EU products and vice versa.
- EU being a larger economy, it needs to help India in achieving a higher degree of complementarity by committing not only greater investments in India but also helping the country to attain higher trade capacity.

# India – BSR Trade Future Potential

# Estimated India – BSR Trade Potential




Source: De (2011)

# India's Future Trade with Major BSR*

| Year | Denmark | Finland | Germany | Norway | Poland | Russia | Sweden | BSR7 | BSR 11 | Share of BSR7 |
|---|---|---|---|---|---|---|---|---|---|---|
| | (US$ billion) | | | | | | | | | (%) |
| 2009* | 1.17 | 1.31 | 16.17 | 1.19 | 0.73 | 4.39 | 2.05 | 27.01 | 27.98 | 96.53 |
| 2010 | 1.30 | 1.14 | 15.67 | 1.58 | 3.04 | 12.00 | 2.08 | 36.81 | 37.69 | 97.65 |
| 2011 | 1.39 | 1.22 | 16.45 | 1.78 | 3.19 | 14.80 | 2.41 | 41.24 | 42.33 | 97.40 |
| 2012 | 1.64 | 1.37 | 18.75 | 1.83 | 3.39 | 16.69 | 2.68 | 46.34 | 47.64 | 97.27 |
| 2013 | 1.88 | 1.41 | 19.09 | 2.06 | 3.60 | 17.95 | 2.81 | 48.79 | 50.34 | 96.91 |
| 2014 | 2.01 | 1.54 | 22.41 | 2.20 | 3.77 | 19.45 | 2.93 | 54.33 | 56.21 | 96.66 |
| 2015 | 2.55 | 1.68 | 27.70 | 2.34 | 3.96 | 21.05 | 3.14 | 62.43 | 64.74 | 96.42 |
| 2016 | 3.00 | 1.72 | 32.96 | 2.49 | 4.16 | 22.85 | 3.23 | 70.40 | 73.03 | 96.41 |
| 2017 | 3.54 | 1.95 | 38.32 | 2.57 | 4.40 | 25.58 | 3.43 | 79.80 | 82.84 | 96.32 |
| 2018 | 3.98 | 2.29 | 42.69 | 2.75 | 4.65 | 28.65 | 3.64 | 88.66 | 92.01 | 96.36 |
| 2019 | 4.23 | 2.52 | 49.07 | 2.94 | 4.91 | 32.09 | 3.87 | 99.63 | 103.42 | 96.33 |
| 2020 | 4.77 | 2.96 | 54.46 | 3.13 | 5.19 | 35.93 | 4.00 | 110.45 | 115.48 | 95.65 |
| 2021 | 5.40 | 3.58 | 60.78 | 3.41 | 5.53 | 39.35 | 4.23 | 122.28 | 126.99 | 96.29 |
| 2022 | 5.83 | 4.11 | 67.10 | 3.69 | 5.89 | 43.10 | 4.46 | 134.17 | 139.40 | 96.25 |
| 2023 | 6.26 | 4.83 | 73.42 | 3.77 | 6.27 | 47.20 | 4.71 | 146.46 | 152.17 | 96.25 |
| 2024 | 6.89 | 5.26 | 79.76 | 3.95 | 6.68 | 51.69 | 5.07 | 159.30 | 165.63 | 96.18 |
| 2025 | 7.42 | 5.98 | 84.09 | 4.24 | 7.11 | 56.61 | 5.35 | 170.81 | 177.70 | 96.12 |
| 2026 | 7.84 | 6.29 | 89.35 | 4.41 | 7.52 | 61.09 | 5.66 | 182.16 | 189.60 | 96.07 |
| 2027 | 8.15 | 6.61 | 93.61 | 4.66 | 7.95 | 65.92 | 5.98 | 192.88 | 200.79 | 96.06 |
| 2028 | 8.37 | 6.82 | 96.87 | 4.73 | 8.40 | 71.14 | 6.10 | 202.43 | 210.74 | 96.06 |
| 2029 | 8.59 | 7.03 | 99.13 | 4.90 | 8.88 | 76.77 | 6.34 | 211.64 | 220.36 | 96.04 |
| 2030 | 8.60 | 7.18 | 102.40 | 5.06 | 9.38 | 82.85 | 6.49 | 221.97 | 231.11 | 96.04 |

*Estimated    Source: De (2011)

# Barriers to India-BSR Trade

Dependent variable = Export

| Variables | Coefficients |
|---|---|
| GDP of Reporter (India) | 0.912*** (0.141) |
| GDP of Partner (Importer) | 0.383*** (0.141) |
| Liner Connectivity Index of Reporter | -0.0603 (0.282) |
| Liner Connectivity Index of Partner | 0.421 (0.285) |
| Tariff | -0.278 (-0.208) |
| Distance | -1.024** (-0.442) |
| Adjacency dummy | -1.677* (-0.944) |
| FTA dummy | 1.086 (0.719) |
| Air connectivity dummy | 1.325 (0.859) |
| Language dummy | -2.602*** (-0.736) |
| BSR dummy | -0.407 (-0.473) |
| R-squared | 0.932 |
| Observations | 231 |
| Country fixed effect | Yes |
| Hausman test | |
| Chi2 value, p-value | 16.56 (0.0000) |

Market size to drive export

India needs improvement in liner connectivity#

Tariff cut still important#

Transport costs not yet dead

#Usual; disclaimers apply

Note: Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. All variables are in log scale.

Source: De (2011)

# Transport costs outweigh tariff in EU-Asia trade

**Importer: European Union (27)**

| Exporter | 1981-1990 Transport cost (%)* | 1991 Tariff (%)** | 1991-2000 Transport cost (%)* | 2001 Tariff (%)** | 2001-2008 Transport cost (%)* | 2007# Tariff (%)** |
|---|---|---|---|---|---|---|
| China | 22.686 | 13.580 | 44.131 | 7.070 | 27.898 | 6.360 |
| India | 22.715 | 13.500 | 19.354 | 7.070 | 12.237 | 6.720 |
| Indonesia | 17.613 | 12.560 | 17.257 | 7.760 | 25.023 | 7.170 |
| Japan | 8.192 | 12.630 | 10.541 | 5.670 | 7.802 | 5.030 |
| Malaysia | 9.413 | 14.600 | 11.483 | 5.580 | 18.994 | 5.280 |
| Thailand | 8.864 | 14.340 | 5.559 | 7.600 | 10.535 | 6.980 |

*Ad-valorem (as % of import value), simple average, calculated based on DOTS, IMF

** Simple average tariff, sourced from WITS, World Bank    #Averaged over 2003-2007

Source: De (2010)

# Summing-up

- Germany will continue to be India's largest trading partner from BSR. The larger BSR economies (BSR7 countries) will dominate the trade with India.
- The India-BSR trade may fall short of a target of US$ 50 billion in 2013 if we don't facilitate the trade adequately.
- Market size would drive the trade flow. India's rising economic growth would obviously lead to higher trade between India and BSR in coming years.
- Improvement is needed in India's liner shipping network (importance of transport facilitation) with the global network.
- Further tariff cut (importance of trade liberalization) is important.
- Transport cost is one of the major barriers to trade.

# BSR – India Connectivity

# Dominant Modes of Connectivity

- Ocean shipping
  - Asia – Europe lines [34 lines serving Chinese coast, 4 lines serving Indian coast]
- Air shipping
  - About 64 air cargo operators serving China – Europe, about 16 air cargo operators serving India – Europe
  - Only a few passenger air services between India and BSR [Shanghai and Beijing have direct flights to most of the BSR countries]

# Passenger Airlines between India and BSR

| Airlines | Indian Cities | BSR Cities |
|---|---|---|
| Lufthansa | Delhi, Chennai, Kolkata, Hyderabad, Pune, Mumbai, Bangalore | Munich, Frankfurt |
| Fin Air | Delhi | Helsinki |
| Aeroflot | Delhi, Mumbai | Moscow |
| Air India | Delhi, Mumbai | Frankfurt, Munich, Moscow |

Source: De (2011)

# Air Freight and Passenger Movement between India and BSR

(a) Freight

| Year | Denmark | Finland | Germany | Russia | India Total |
|---|---|---|---|---|---|
| | Volume ('000 tonnes) | | | | |
| 2007-08 | 6.67 | 5.42 | 106.03 | 4.25 | 1025.01 |
| 2008-09 | 7.63 | 5.50 | 99.36 | 2.79 | 1072.47 |
| 2009-10 | 2.27 | 6.44 | 103.26 | 7.11 | 1139.07 |
| | Share (%) | | | | |
| 2007-08 | 0.65 | 0.53 | 10.34 | 0.41 | |
| 2008-09 | 0.71 | 0.51 | 9.26 | 0.26 | |
| 2009-10 | 0.20 | 0.57 | 9.07 | 0.62 | |

(b) Passenger

| Passenger | Denmark | Finland | Germany | Russia | India Total |
|---|---|---|---|---|---|
| | Volume (million numbers) | | | | |
| 2007-08 | * | 0.12 | 1.36 | 0.15 | 27.17 |
| 2008-09 | 0.00 | 0.13 | 1.29 | 0.19 | 28.93 |
| 2009-10 | 0.00 | 0.12 | 1.26 | 0.22 | 32.08 |
| | Share (%) | | | | |
| 2007-08 | 0.00 | 0.44 | 5.01 | 0.54 | |
| 2008-09 | 0.00 | 0.46 | 4.45 | 0.67 | |
| 2009-10 | 0.00 | 0.38 | 3.93 | 0.67 | |

*Very negligible

Source: De (2011)

# Maritime Connectivity: Liner Shipping Connectivity Index (LSCI)

| Country | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Denmark | 11.56 | 24.25 | 25.39 | 22.10 | 26.49 | 27.68 | 26.76 |
| Estonia | 7.05 | 6.52 | 5.76 | 5.78 | 5.48 | 5.71 | 5.73 |
| Finland | 9.45 | 10.16 | 8.58 | 10.70 | 9.72 | 10.15 | 8.36 |
| Germany | 76.59 | 78.41 | 80.66 | 88.95 | 89.26 | 84.30 | 90.88 |
| Latvia | 6.37 | 5.82 | 5.10 | 5.87 | 5.52 | 5.18 | 5.98 |
| Lithuania | 5.22 | 5.88 | 5.66 | 6.83 | 7.76 | 8.11 | 9.55 |
| Norway | 9.23 | 8.31 | 7.34 | 7.80 | 7.91 | 7.93 | 7.93 |
| Poland | 7.28 | 7.53 | 7.50 | 7.86 | 9.32 | 9.21 | 26.18 |
| Russia | 11.90 | 12.72 | 12.81 | 14.06 | 15.31 | 20.64 | 20.88 |
| Sweden | 14.76 | 26.61 | 28.17 | 25.82 | 30.27 | 31.34 | 30.58 |
| BSR10 | 15.94 | 18.62 | 18.70 | 19.58 | 20.70 | 21.03 | 23.28 |
| India | 34.14 | 36.88 | 42.90 | 40.47 | 42.18 | 40.97 | 41.40 |

Source: UNCTAD

# Containerized Trade

| Country | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | CAGR* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (million TEUs) | | | | | | | | | | (%) |
| Denmark | 0.57 | 0.46 | 0.59 | 0.89 | 1.21 | 0.91 | 0.68 | 0.68 | 0.65 | 0.64 | 1.35 |
| Finland | 0.93 | 1.02 | 1.09 | 1.16 | 1.31 | 1.31 | 1.42 | 1.56 | 1.53 | 1.06 | 1.53 |
| Germany | 7.70 | 8.43 | 9.25 | 10.94 | 12.48 | 13.60 | 15.01 | 16.64 | 17.18 | 12.77 | 5.78 |
| Poland | 0.25 | 0.26 | 0.32 | 0.35 | 0.43 | 0.51 | 0.64 | 0.77 | 0.86 | 0.81 | 14.06 |
| Russia | 0.32 | 0.61 | 0.77 | 0.96 | 1.37 | 1.80 | 2.27 | 2.96 | 3.31 | 2.18 | 23.91 |
| Sweden | 0.88 | 0.85 | 0.81 | 0.86 | 1.10 | 1.25 | 1.27 | 1.29 | 1.30 | 1.25 | 3.94 |
| BSR6 | 10.64 | 11.62 | 12.82 | 15.16 | 17.90 | 19.39 | 21.28 | 23.91 | 24.83 | 18.71 | 6.47 |
| India | 2.45 | 2.76 | 3.21 | 3.92 | 4.33 | 4.98 | 6.14 | 7.38 | 7.67 | 7.89 | 13.87 |
| World | 225 | 235 | 264 | 297 | 338 | 376 | 417 | 468 | 491 | 444 | 7.85 |
| Share of BSR in world (%) | 4.73 | 4.94 | 4.87 | 5.10 | 5.29 | 5.15 | 5.11 | 5.11 | 5.06 | 4.22 | |
| Share of India in world (%) | 1.09 | 1.18 | 1.22 | 1.32 | 1.28 | 1.32 | 1.47 | 1.58 | 1.56 | 1.78 | |

*Compound annual growth rate (CAGR) **Known as Jawaharlal Nehru Port
Source: De (2011) based on Containerisation International

# Growth in Container Traffic

| Port | Country | 2005 | 2006 | 2007 | 2008 | 2009 | CAGR |
|---|---|---|---|---|---|---|---|
| | | (million TEUs) | | | | | (%) |
| Hamburg | Germany | 8.095 | 8.882 | 9.917 | 9.737 | 7.008 | -3.54 |
| Bremen/ Bremerhaven | Germany | 3.744 | 4.444 | 4.892 | 5.488 | 4.579 | 5.16 |
| Nhava Sheva** | India | 2.670 | 3.298 | 4.060 | 3.953 | 4.061 | 11.06 |
| St. Petersburg | Russia | 1.275 | 1.588 | 1.856 | 1.983 | 1.342 | 1.28 |
| Gothenburg | Sweden | 0.803 | 0.839 | 0.854 | 0.863 | 0.818 | 0.44 |

*Compound annual growth rate (CAGR) **Known as Jawaharlal Nehru Port
Source: De (2011) based on Containerisation International

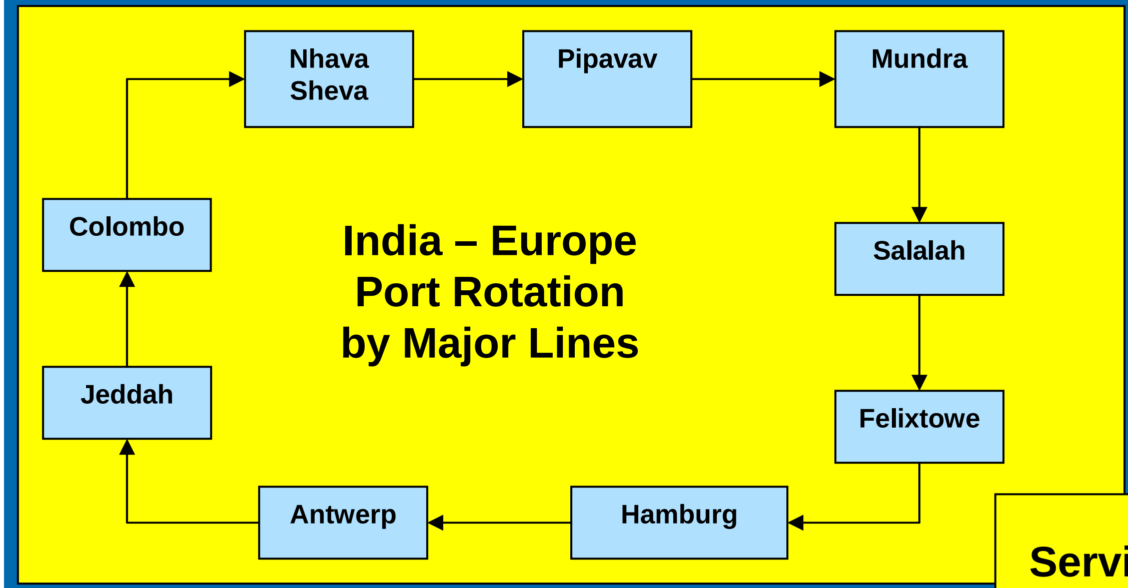
# Container Traffic between India and BSR Countries in 2009*

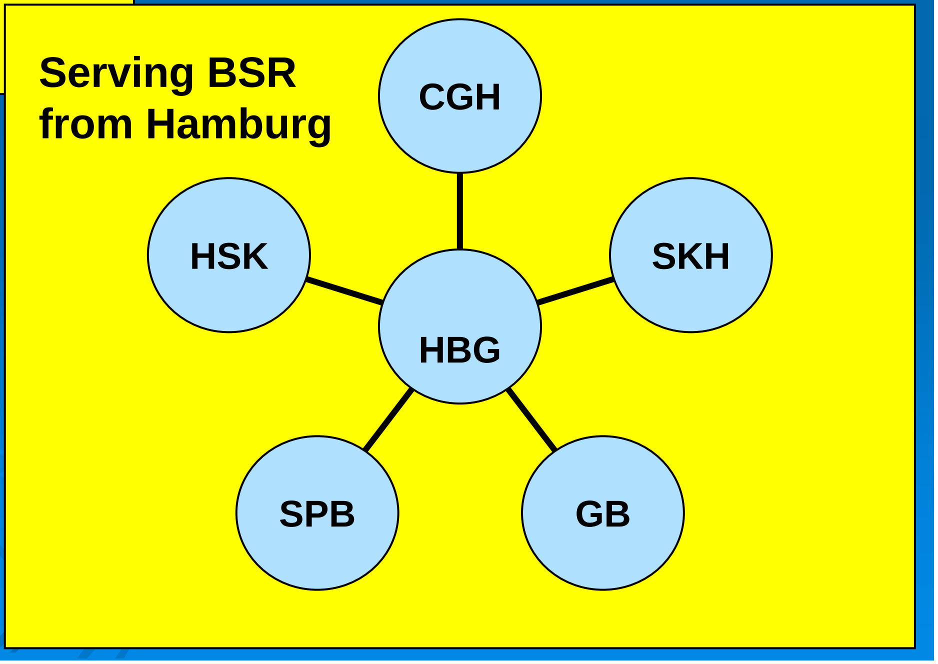
| Country | Export | Import | Total |
|---|---|---|---|
| | (TEU) | | |
| Norway | 2858 | 5075 | 7933 |
| Germany | 38953 | 83189 | 122142 |
| Denmark | 2327 | 22073 | 24400 |
| Poland | 5512 | 22629 | 28140 |
| Sweden | 2671 | 25103 | 27774 |
| Russia | 12471 | 273748 | 286219 |
| Finland | 1603 | 11681 | 13285 |
| BSR 7 | 66395 | 443498 | 509893 |
| India Total** | 3372000 | 3493000 | 6865000 |
| Share of BSR7 in India Total (%) | 1.97 | 12.70 | 7.43 |

*Estimated based on UNCOMTRADE. **Actual, taken from Ministry of Shipping, Government of India

Source: De (2011)

# Liner Shipping Network between India and BSR

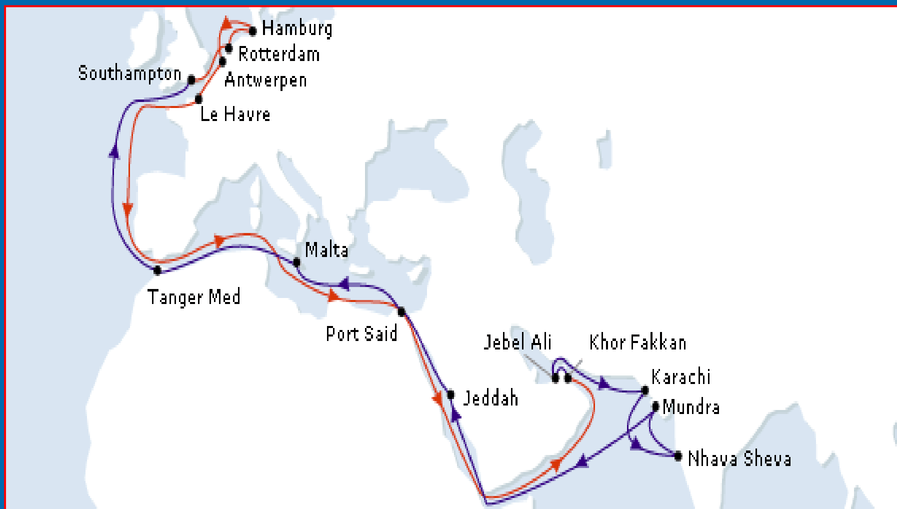


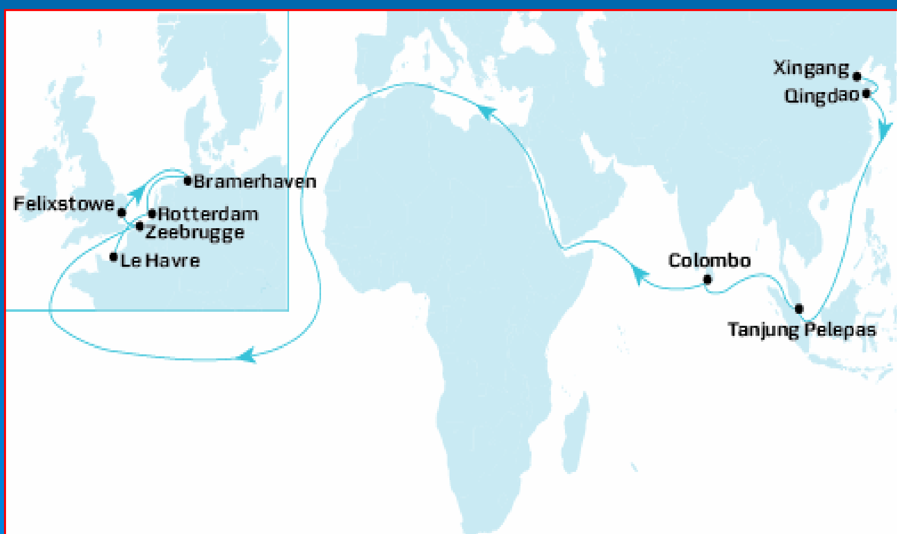

Note: Copenhagen (CGH), Gothenburg (GB), Hamburg (HBG), Helsinki (HSK), St. Petersburg (SPB)

Source: De (2011)

# India – Europe Liner Networks



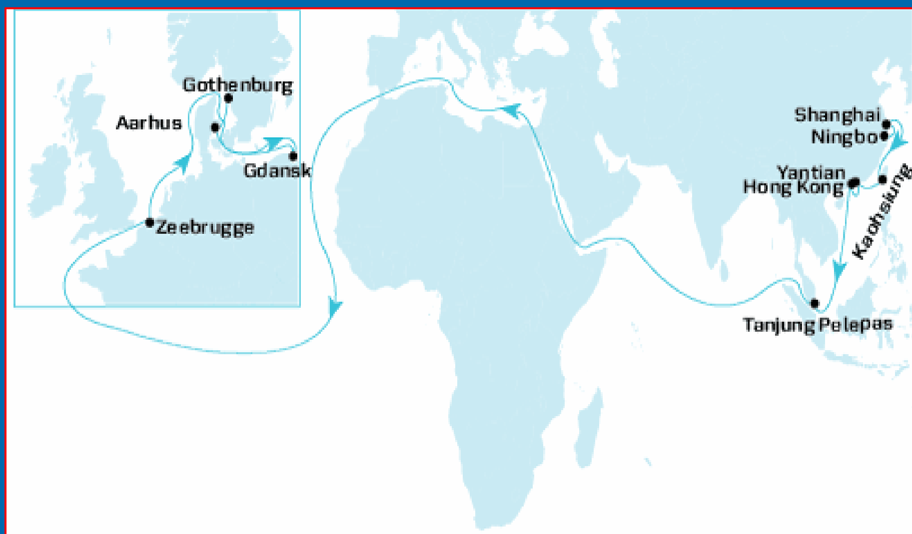






Source: De (2011)

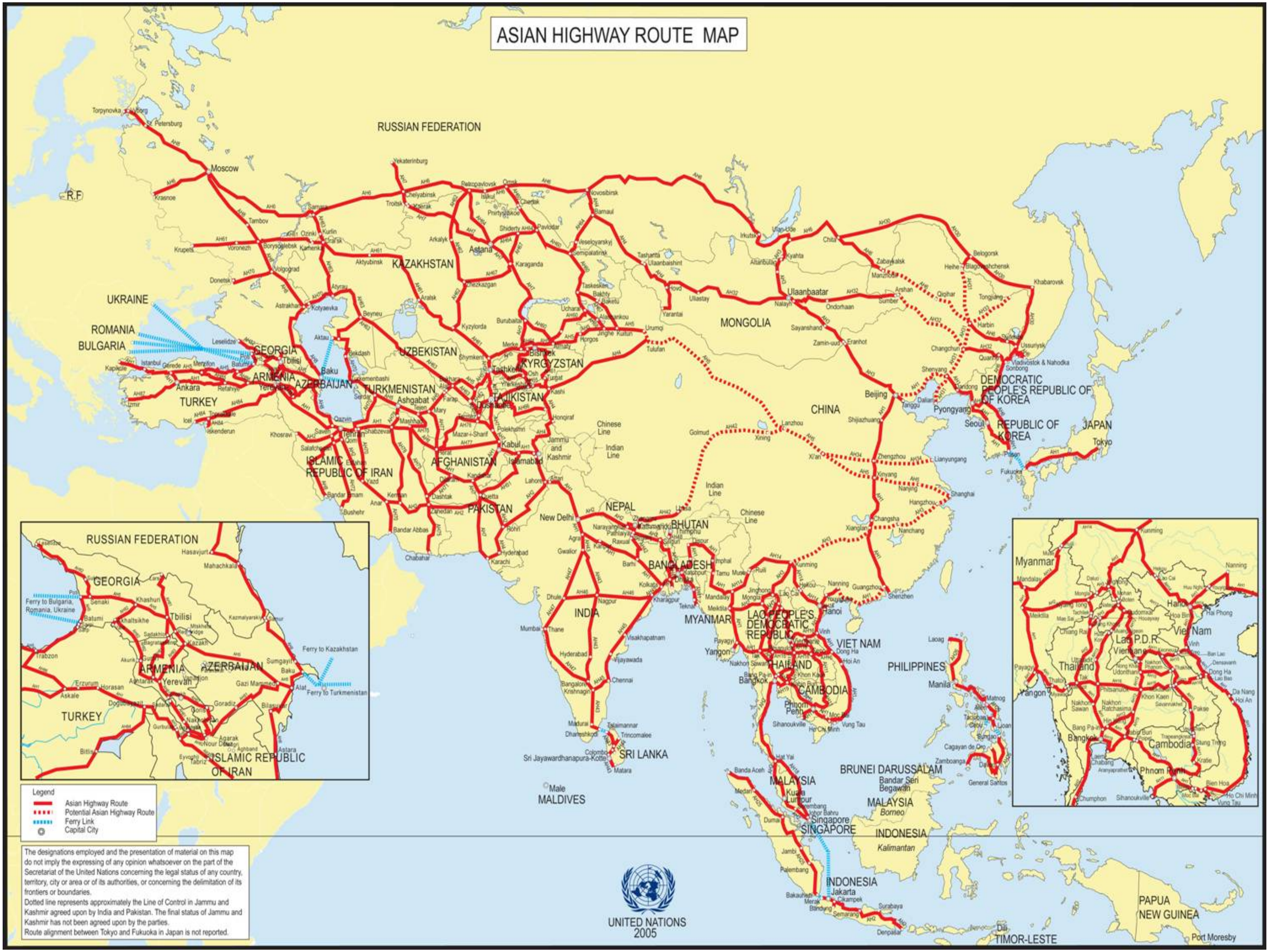
# India – Europe Liner Networks

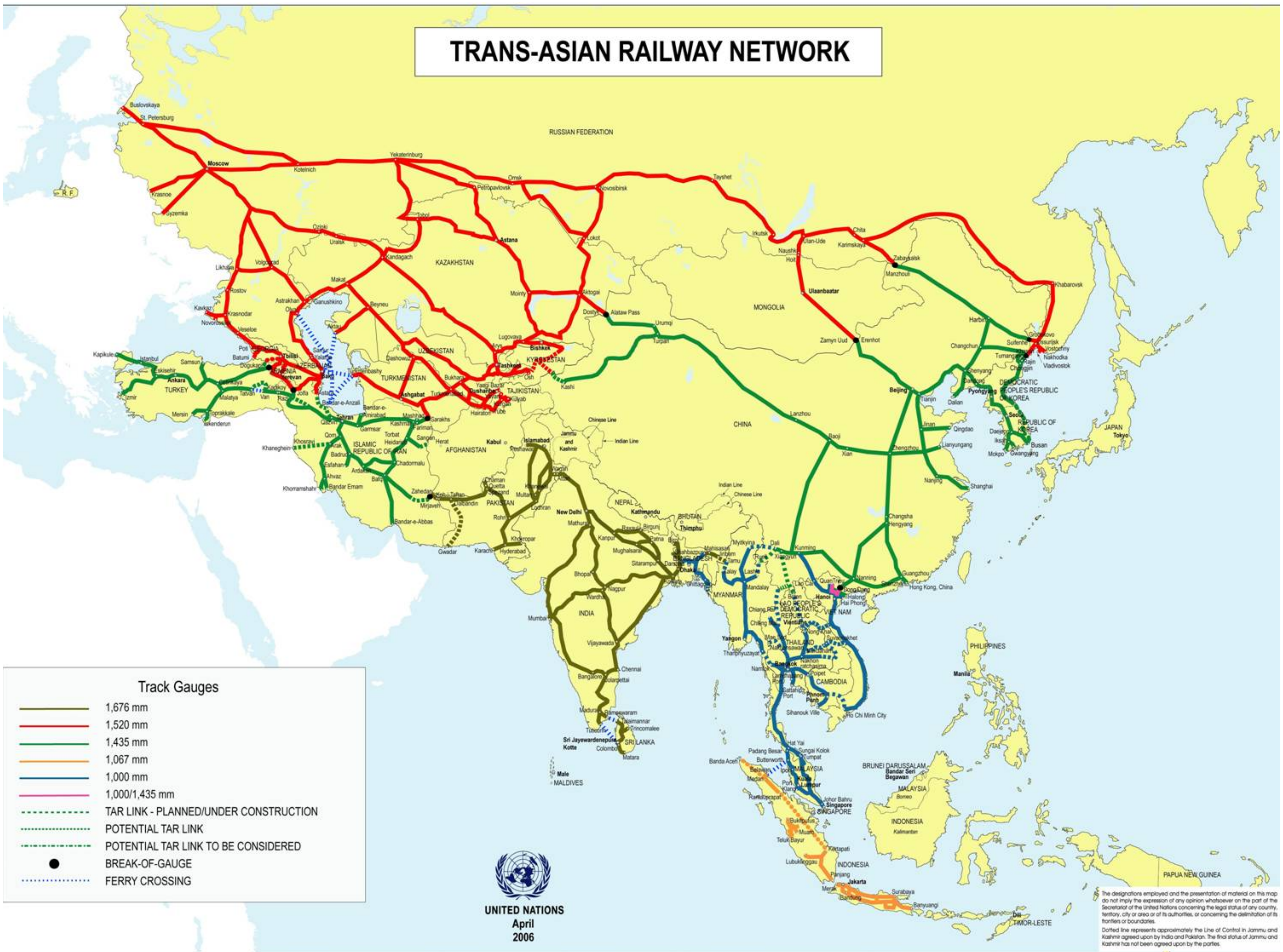




Source: De (2011)

# Connectivity Plans


ASIAN HIGHWAY ROUTE MAP
RUSSIAN FEDERATION
UKRAINE
ROMANIA
BULGARIA
GEORGIA
ARMENIA
AZERBAIJAN
TURKEY
KAZAKHSTAN
UZBEKISTAN
TURKMENISTAN
KYRGYZSTAN
TAJIKISTAN
AFGHANISTAN
ISLAMIC REPUBLIC OF IRAN
PAKISTAN
INDIA
NEPAL
BHUTAN
BANGLADESH
MYANMAR
SRI LANKA
MALDIVES
MONGOLIA
CHINA
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA
REPUBLIC OF KOREA
JAPAN
LAO PEOPLE'S DEMOCRATIC REPUBLIC
THAILAND
VIET NAM
CAMBODIA
PHILIPPINES
MALAYSIA
SINGAPORE
BRUNEI DARUSSALAM
INDONESIA
TIMOR-LESTE
PAPUA NEW GUINEA
Legend
Asian Highway Route
Potential Asian Highway Route
Ferry Link
Capital City
The designations employed and the presentation of material on this map do not imply the expressing of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.
Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not been agreed upon by the parties.
Route alignment between Tokyo and Fukuoka in Japan is not reported.
UNITED NATIONS
2005



TRANS-ASIAN RAILWAY NETWORK
RUSSIAN FEDERATION
KAZAKHSTAN
MONGOLIA
CHINA
TURKEY
ISLAMIC REPUBLIC OF IRAN
AFGHANISTAN
PAKISTAN
INDIA
NEPAL
BHUTAN
MYANMAR
CAMBODIA
SRI LANKA
MALDIVES
PHILIPPINES
JAPAN
INDONESIA
MALAYSIA
SINGAPORE
PAPUA NEW GUINEA
TIMOR-LESTE
BRUNEI DARUSSALAM
Moscow
St. Petersburg
Yekaterinburg
Novosibirsk
Astana
Ulaanbaatar
Beijing
Tashkent
Bishkek
Dushanbe
Ashgabat
Tehran
Kabul
Islamabad
New Delhi
Kathmandu
Thimphu
Dhaka
Yangon
Bangkok
Hanoi
Phnom Penh
Kuala Lumpur
Jakarta
Tokyo
Seoul
Pyongyang
Manila
Ho Chi Minh City
Hong Kong, China
Shanghai
Vladivostok
Khabarovsk
Track Gauges
1,676 mm
1,520 mm
1,435 mm
1,067 mm
1,000 mm
1,000/1,435 mm
TAR LINK - PLANNED/UNDER CONSTRUCTION
POTENTIAL TAR LINK
POTENTIAL TAR LINK TO BE CONSIDERED
BREAK-OF-GAUGE
FERRY CROSSING
UNITED NATIONS
April
2006
The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.
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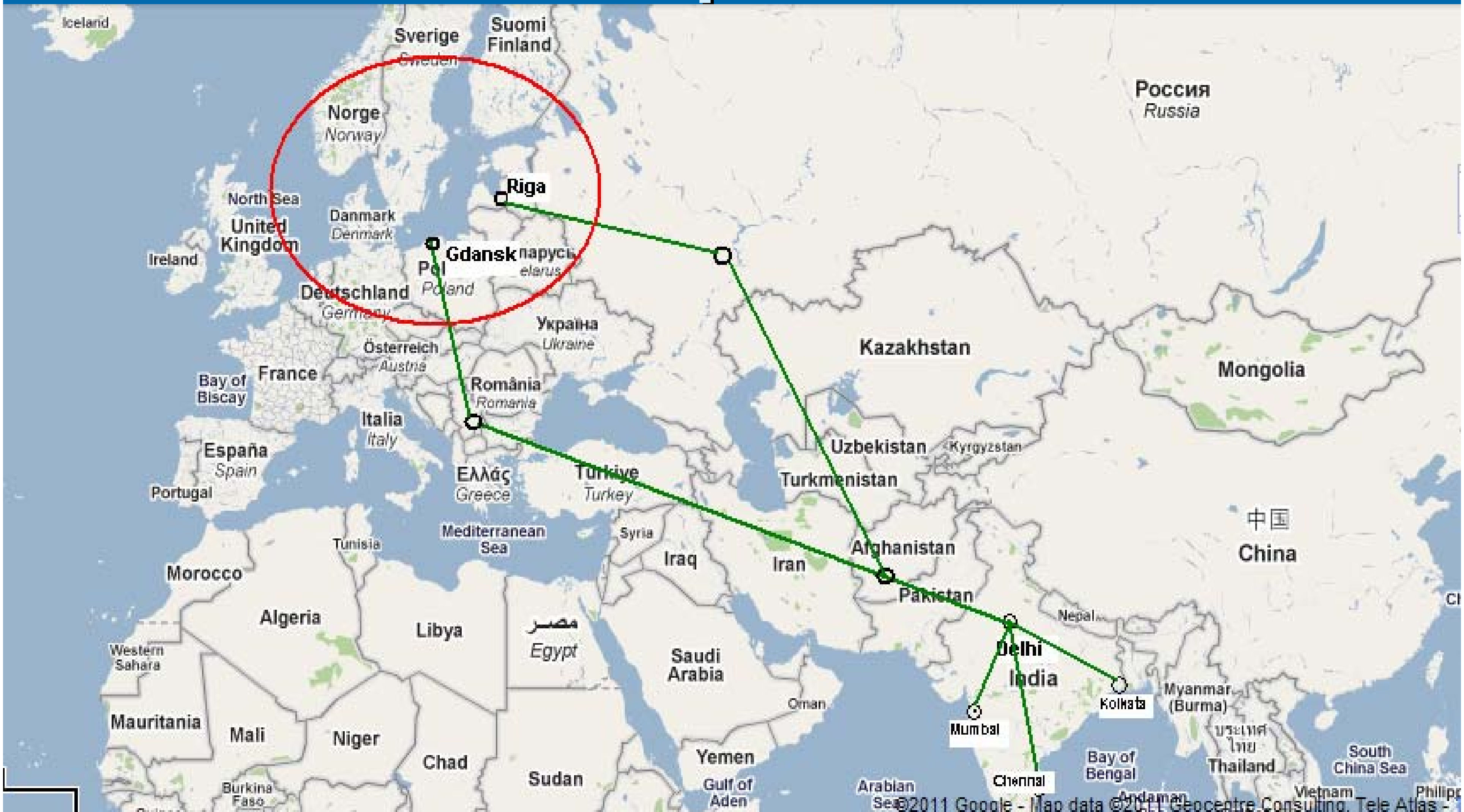
# Euro-Asian Transport Linkages

- Euro–Asia Transport Linkages is a joint project of UNECE and UNESCAP, undertaken in 2001.
  - Objective is to integrate Europe and Asia through transport corridors.
- Members - Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, Romania, Russia, Tajikistan, Turkmenistan, Turkey, Ukraine, and Uzbekistan
- Pan-European Transport Corridors (PETC):
  - Trans-Siberian: Europe (PETCs 2, 3, 9)–the Russian Federation–Japan, with branches from the Russian Federation to:
    - Kazakhstan– China and the Korean peninsula
    - Mongolia– China;
  - Transport Corridor Europe-Caucasus-Asia (TRACECA): Eastern Europe (PETCs 4, 7, 8, 9)–across the Black Sea–Caucasus–across the Caspian Sea–Central Asia;
  - Southern: Southeastern Europe (PETC 4)–Turkey– Iran, with branches from the Iran to:
    - Central Asia–China
    - South Asia–Southeast Asia/Southern China
- North-South: North Europe (PETC 9)–Russia, with branches to:
    - Caucasus–Persian Gulf
    - Central Asia–Persian Gulf
    - Across the Caspian Sea– Iran–Persian Gulf.

# East – West Transport Corridor


Source: East – West Transport Corridor II, available at www.ewtc2.eu

# India – BSR Intermodal Link – a Proposal




Source: Author

# Fostering India – BSR Connectivity: The Enabling Environment

- Accession to the International Conventions
- Intermodal Transport and Transit
- Strengthening and Harmonizing Rules, Regulations, and Standards
- Financing Cross-border Transport Projects
- Strengthening Coordination among Countries and Stakeholders
- Closer Cooperation on Security
- Strengthening Regional Cooperation

# India-BSR connectivity ~ myth today…..will be a reality soon

- **The Need for stronger India - BSR Regional Cooperation**
  - A strategic partnership for policy development and an action plan to foster regional cooperation and integration between India and BSR.
  - To intensify the regional cooperation and integration, one of the essential tasks would be to implement EU-India Trade Facilitation Initiative (EITFI).
  - A structured agenda is needed to combine the efforts of businesses, policy makers, and governments for stronger economic relations.
  - An association between India and BSR may be formalized which will not only provide a platform for cooperation and action but also take the EU-India partnership ahead.

# Thank you

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