

**The Twelfth Tokyo Dialogue of the
"Central Asia plus Japan" Dialogue
"Connectivity with Central Asia and Caucasus"
Report**

The Global Forum of Japan (GFJ)

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Co-hosted by

The Ministry of Foreign Affairs, Japan

Co-Sponsored by

Japan International Cooperation Agency (JICA)

Japan External Trade Organization (JETRO)

Japan Forum on International Relations (JFIR)

Japan Association for Trade with Russia & NIS



Opening remarks by YOSHIKAWA Yuumi, Parliamentary Vice Minister for Foreign Affairs of Japan (Left) and WATANABE Mayu, President of the Global Forum of Japan (Right)



345 experts joined and lively discussed

Preface

The Global Forum of Japan implements various international exchanges and dialogue events every fiscal year, with the aim of organizing policy-oriented intellectual dialogues across different sectors between Japan and the world, through which it contributes to mutual understanding and consensus-building.

Central Asia is an extremely important region from a geopolitical perspective, in view of its position as a geopolitical hub that connects Asia, Europe, Russia, and the Middle East, as well as from a geoeconomic perspective considering its rich natural resources and youthful population. Japan initiated ministerial dialogues with five Central Asian countries in 2004, ahead of other countries, and has since worked to deepen political and economic relations. In recent years, however, other major countries such as the United States, China, and Turkey have been engaging actively in diplomatic efforts to build relationships with the region, in order to fill the gap created from the decline of Russia's influence in the same five former Soviet bloc countries as a result of the military aggression against Ukraine. With the Eurasian situation rapidly becoming increasingly fluid, Japan's diplomacy needs to reaffirm the geopolitical and geoeconomic importance of Central Asia, and strengthen its strategic involvement with the region.

Based on this awareness, the Global Forum of Japan and the Ministry of Foreign Affairs jointly convened the Twelfth Tokyo Dialogue of the "Central Asia plus Japan" Dialogue on "Connectivity with Central Asia and the Caucasus" in Tokyo on March 15, both in-person and online. The event was attended by 345 people including Mr. Mederbek Kurmanbekov (Deputy Minister of Transport and Communication, Kyrgyz Republic) and Mr. Khusrav Mirzoev (First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs, Republic of Tajikistan) from the five Central Asian countries (Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan), and Ms. Watanabe Mayu (President, the Global Forum of Japan), Mr. Koizumi Yukihiro (Deputy Director General, Infrastructure Management Department, Japan International Cooperation Agency (JICA)), and Mr. Yasui Tadashi (Head, External Relations, World Customs Organization (WCO)) from Japan. The participants engaged in active exchanges of opinions during the event.

As this year marks the 30th anniversary of the establishment of diplomatic relations between Japan and the countries of Central Asia, the Dialogue reflected on the 30-year trajectory of relations between Japan and the countries of Central Asia, while engaging in active exchanges of views that focused on issues related to the outlook for the future of Japan-Central Asia relationship, particularly human resource development and digitalization.

This Report sets out the contents and outcomes of this “Central Asia plus Japan” Dialogue for members of the Global Forum of Japan as well as other stakeholders. The full text of this Report is also available on the website of the Global Forum of Japan (<http://www.gfj.jp>), so please feel free to peruse it at your leisure.

August 1, 2023

Watanabe Mayu

President, Global Forum of Japan

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I Introduction

1. Program
2. Overview of Presentations

1. Program

14:00 – 14:35	Opening Session
<p>Opening Remarks</p> <ul style="list-style-type: none"> -Ms. YOSHIKAWA Yuumi, Parliamentary Vice-Minister for Foreign Affairs -Ms. WATANABE Mayu, President, Global Forum of Japan (Co-organizer) <p>Key Note Speech</p> <ul style="list-style-type: none"> -Professor UYAMA Tomohiko, the Slavic-Eurasian Research Center, Hokkaido University <p>Presentation on Potentials and challenges of Trans-Caspian Sea Route</p> <ul style="list-style-type: none"> -Mr. KUROSU Toshihiko, Director, Russia, Central Asia and Caucasus Office, Ministry of Economy, Trade and Industry 	
14:50 – 16:05	Panel Discussion 1: Institutional coordination and human resource development for broader regional cooperation
<ul style="list-style-type: none"> -Mr. ICHIBA Hiroaki, Director, Central Asia and Caucasus Division, MOFA (Moderator) -Mr. Arman ADEPBAYEV, Senior Expert of Ministry of Industry and Infrastructural Development, Kazakhstan -Mr. Mederbek KURMANBEKOV, Deputy Minister of Transport and Communication, Kyrgyz Republic -Mr. Khusrav MIRZOEV, First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs, Tajikistan -Mr. Abdulla KHASHIMOV, Director of Development of Transport Corridors and Logistics Department, Ministry of Investment, Industry and Trade, Uzbekistan -Dr. Irakli DANELIA, Business Development Head for Black Sea and Central Asia Regions of Maersk Tbilisi, Georgia -Mr. Rati DEVADZE, Deputy Head of Transport and Logistics Development Policy Department, Ministry of Economy and Sustainable Development of Georgia -Mr. KOIZUMI Yukihiro, Deputy Director General, Infrastructure Management Department, Japan International Cooperation Agency (JICA) -Ms. SASAKI Asuka, Senior Deputy Director, International Cooperation Division, Custom & Tariff Bureau, Ministry of Finance, Japan -Mr. OZEKI Makoto, Deputy General Manager, NVOCC Department, Nissin Corporation (Deputy Secretary General of Coordination Council on Trans Eurasian Transportation) 	
16:20 – 17:15	Panel Discussion 2: Digitalization in trade and customs
<ul style="list-style-type: none"> -Mr. ICHIBA Hiroaki, Director, Central Asia and Caucasus Division, MOFA (Moderator) -Mr. Fariz ALIYEV, Head of Transport Policy Department, Ministry of Digital Development and Transport, Azerbaijan -Mr. KAKAMURADOW, Yklym Mukymowic, Head of Department of Customs Statistics, State Customs Service, Turkmenistan -Mr. YAMAZAKI Kastunori, Director, Enterprise Business Department, Business and Marketing Division, Nippon Telegraph and Telephone (NTT) West Corporation -Mr. YASUI Tadashi, Head, External Relations, World Customs Organization (WCO) -Mr. FUJIMITSU Motohiro, Manager, WCO/JICA Joint Project, Capacity Building Directorate -Mr. YAMAGUCHI Osamu, Senior Consultant, Research & Consulting Unit 3, NX Logistics Research Institute and Consulting, Inc. 	
17:15 – 18:15	Reception

2. Overview of Presentations

(1) Opening Session

- a. Ms. Yoshikawa Yumi, Parliamentary Vice-Minister for Foreign Affairs of Japan:
Since the independence of the Central Asian and Caucasian countries from the Soviet Union in 1991, Japan has consistently supported their nation building efforts and they have achieved a steady economic development. I hope that today's Tokyo Dialogue will serve as an opportunity to further develop regional cooperation for the sustainable development of Central Asia and Caucasus and to deepen economic and investment ties between Japan and the region.

- b. Ms. Watanabe Mayu, President, Global Forum of Japan:
Central Asia, with its abundant natural resources, has become a more important partner for Japan in terms of energy security and also securing natural resources. In addition, Japan, with its expertise and high-quality logistics, infrastructure development and industrial development, is an important partner for the free, open and sustainable development of Central Asia, which is located in central Eurasia, by strengthening connectivity toward an outlet to the sea, especially by utilizing the Caspian Sea route which does not pass through Russia. I would hope that today's dialogue will be a free and vigorous exchange of views towards further strengthening future-oriented relations between Japan and Central Asia.

- c. Professor Uyama Tomohiko, the Slavic-Eurasian Research Center, Hokkaido University:
The Caspian Sea itself is not so conspicuous when it comes to its history, but when you think of the north-south trade route, this area was very important. And you think of the east-west trade, the trade itself was relatively low. So, it was not that conspicuous, yet the Caspian Sea has been the hub of the trading routes of adjacent regions. And now it is drawing attention for its resources, especially for oil and gas. But Russia's war of aggression against Ukraine has really heightened the military significance of Caspian Sea. For the time being, cooperation between Japan, the West and the Caspian Sea littoral states cannot really include Russia and Iran. I hope that both countries will be reborn as peaceful nations so that this Caspian Sea can serve as a hub for the relations among the different countries.

- d. Mr. Kurosu Toshihiko, Director of Russia, Central Asia and Caucasus Office from the Ministry of Economy, Trade and Industry of Japan:
The countries of Central Asia and the Caucasus are generally rich in natural resources, such as oil, natural gas and metal mineral resources, and are strategically important to Japan as the supplier of these resources. As far as METI is concerned, we will continue to

support further expansion of Japanese companies into the countries of Central Asia and the Caucasus. At the same time, securing and improving logistic routes is an extremely important theme when considering further expansion and mutually beneficial trade.

(2) Panel Discussion I: Institutional coordination and human resource development for broader regional cooperation

- a. Mr. Arman Adepbayev, Senior Expert, Ministry of Industry and Infrastructure Development, Kazakhstan:

In the modern development of Kazakhstan, the transport industry is defined as the artery of the state's economic life. The state of the transport component is a determining factor for the entire economy of the Republic. And the effective use of the transit potential stimulates the desire for continuous improvement of the transport infrastructure. Given the growing volume of freight flows between the major producers, east, and the significant consumer, Europe, the main objective of Kazakhstan's transport policy remains the further creation of the Eurasian Transcontinental Bridge. In Kazakhstan, within this region, we do have the potential to become the transit hub for this area connecting Eurasia.

- b. Mr. Mederbek Kurmanbekov, Deputy Minister of Transport and Communication of the Kyrgyz Republic:

Our challenge is to develop a land transport corridor that is viable, competitive and integrated into the international transport system, taking into account the interconnected transport infrastructure of our partner countries. It is also very important for the Kyrgyz Republic that partners provide a non-discriminatory access to the seaports of their countries, promote liberalization of international transport, and reduce non-physical barriers across the territory of transit countries. And the current important challenge is the formation of the digital transportation corridor. Digitalization will define optimal routes and transportation conditions through the use of legally important electronic documents.

- c. Mr. Khusrav Mirzoev, First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs of Tajikistan:

TITR (the Trans-Caspian International Transport Route) is seen as an alternative route, but going forward, it has the potential to become the main route connecting these regions and areas. TRACECA (Transport Corridor Europe-Caucasus-Asia) shows some major initiatives. One of them is the exemption from the use of visas. Also, various permits of related programs – or to simplify or make these permits common amongst the different regions. In order to gain the popularity of this route, we need to have affordable and also fast and efficient implementation of maritime transport.

- d. Mr. Abdulla Khashimov, Director of Development of Transport Corridors and Logistics Department, Ministry of Investment, Industry and Trade of Uzbekistan:

To find the new alternative corridor is vital for Central Asian countries to improve the trade with European countries, the United States, or other countries. Within the framework of Central Asia Caucuses plus Japan format in our opinion, the following proposals could be considered for the next proposals. First, we support to continue the harmonization and unification of the regulatory and legal framework of international transport via this corridor. Secondly, modernization of railway rolling stock, strengthening of containerization of cargo transportation, expansion of modality, electrification of railways will be required. It is necessary to update the vehicle fleet, create favorable conditions for the transportation of goods by road and transit, equalize fees, transfer international cargo transportation, including to/from third countries on a non-permissive basis. And, the key task is the digitalization.

- e. Dr. Irakli Danelia, Business Development Head for Black Sea and Central Asia Regions of Maersk Tbilisi, Georgia:

First of all, very briefly about the challenges, the war in the territory in Ukraine, they impose sanctions toward the Russia and Belarus; suspended shipment by the global shipping lines to Russian commercial seaports; and last but not least, unreliability of Trans-Siberian transit corridor for the global corporations. But the opportunity has already come to the Middle Corridor, which became one of the reliable alternatives for arranging the cargo flow deliveries from west to east and vice versa. And the Black Sea and Caspian Sea ports became the hub of the European and the Asian rail routes through the Middle Corridor. The robust transport and communication infrastructure, which has already existed, but extra investment is always welcome. The diversification of the resources, investments and capital is always a good idea for business.

- f. Mr. Rati Devadze, Deputy Head of Transport and Logistics Development Policy Department, Ministry of Economy and Sustainable Development of Georgia:

The attractiveness of the corridor is regardless of what the geopolitical or health-related issues are in the world. So, we put high hopes on the corridor, that in the future as well it will further develop and attract more cargo on it. Russian aggression in Ukraine exacerbated the signal towards logistics companies across Asia and across Europe that there are new routes to be found. Because, only on one route, you cannot rely on everything. Hence that influenced attention and grew attention on the Middle Corridor as well, and Ukraine is one of the important routes of the Middle Corridor as well.

- g. Mr. Koizumi Yukihiro, Deputy Director General, Infrastructure Management Department,

Japan International Cooperation Agency:

The common consensus and strong commitment by all countries involved is paramount to improving logistics and strengthening connectivity. The people who are here should be really aware of the challenges and issues, and then have to improve the situation. Second, it is essential that the development of transportation infrastructure, customs procedure, legal regulations and human resource development be implemented in a harmonious way.

- h. Ms. Sasaki Asuka, Senior Deputy Director, International Cooperation Division, Custom & Tariff Bureau, Ministry of Finance of Japan:

There are three roles fulfilled by customs, which is the trade facilitation, safe and secure society, and also, appropriate collection of custom duties. These are the three major roles of customs. And this is common across the board in the world. So, in order to realize that there are two elements that are necessary.

First is we need to have a custom clearance system in accordance with international standards. And also, we need the appropriate and correct knowledge and operational capabilities of the staff involved. In the customs area, the idea is how we can promote this international standard. And, of course, we would need to incorporate more of a digitalization, that would lead to expediting the custom clearance process. So, it would not suffice just to engage domestically only, we would need to definitely engage others outside of the country.

- i. Mr. Ozeki Makoto, Deputy General Manager, NVOCC Department, Nissin Corporation (Deputy Secretary General of Coordination Council on Trans Eurasian Transportation):

In the past, the transportation routes were selected based on the freight cost, and secondly transit time, the number of days in transit. So, these two were the major criteria for selecting transportation routes. But now, companies are required to give special attention to the environment. And also, you always have to have a backup plan in case of an accident. The Caspian Sea route, the Caspian Sea route meets the criteria.

(3) Panel Discussion 2: Digitalization in trade and customs

- a. Mr. Fariz Aliyev, Head of Transport Policy Department, Ministry of Digital Development and Transport, Azerbaijan:

Since we realized the importance of the corridor, we should first look at the efforts each country has realized for the facilitation of the processes through the corridor. One of the important issues related to the Middle Corridor is the digitalization of the corridor. It's like simplification of the process. It entails simplification of border crossing procedures, implementing a single electronic transit customs document along the Middle Corridor. I think the major challenges we face are related to the modernization of the infrastructure, offering digitalization solutions, and investing in Alat Free Economic Zone, which offers

favorable conditions for all the international investments.

- b. Mr. Yklym Kakamuradow, Head of Department of Customs Statistics, State Customs Service, Turkmenistan:

We are successfully implementing comprehensive national programs aimed at radical modernization of the material and technical basis of the transport industry, expansion of existing networks, and the creation of new transport and communication networks. The Government has made important progress, particularly in developing transit transport infrastructure, promoting faster transit, including advances in sustainable energy, investment promotion and diversification.

- c. Mr. Yamazaki Kastunori, Director, Enterprise Business Department, Business and Marketing Division, Nippon Telegraph and Telephone (NTT) West Corporation:

The demonstration test, that is done in in Osaka, is port operation based on the local 5G. The local 5G technology can be utilized to enhance the operation of the ports and the container yard. And we're doing it until the end of March, and will report to you, the result of this. For the future, through the demonstration, we gain the knowledge of digital transformation of the port operation, improvement of the productivity, and also, the smart port operation. We are planning to accelerate the work towards that goal.

- d. Mr. Yasui Tadashi, Head, External Relations, World Customs Organization:

WCO (World Customs Organization) is an international organization, the only one specifically on customs. All of Central Asia and Caucasus region are members of WCO. The three core functions for WCO are, first the development of global standards; second to promote the customs cooperation; and the third, capacity building activities.

- e. Mr. FUJIMITSU Motohiro, Manager, WCO/JICA Joint Project, Capacity Building Directorate:

There's been about the electronic, digitalized transit declaration. That has been realized in a number of countries already, so in the very bottom of the flow here is the further facilitation of this. It's called one-stop service. Two countries, at the same venue jointly, they can engage in the inspection to extend the one-stop service, and this would further facilitate the process. The mission of the WCO is "Borders divide, Customs connects".

- f. Mr. Yamaguchi Osamu, Senior Consultant, Research & Consulting Unit 3, NX Logistics Research Institute and Consulting, Inc:

From Japan to Europe, by using the Middle Corridor to transport the containers, we have to do multiple border crossings, under a bonded status. They will be transited on a bonded

basis. So, it would go through the Caspian Sea. There would be a marine transportation, and may, actually, goes through rail, for instance, so the gauge of the train may be different. Because of the rail gauge, a transshipment needs to be conducted. So, the cargo needs to be changed. In terms of transshipment, what sort of quality – what sort of infrastructure is available? Those are some of the major concerns for the shipping companies. In terms of the procedures, SMGS and CIM, these are the two different types of forms that have been used for customs transit. For instance, with user digitalization, how much time can we shorten? These are definitely one of the major concerns that we have as the operator.

II Minutes of Presentations and Discussions

1. Opening Session
2. Panel Discussion 1
3. Panel Discussion 2

1. Opening Session

MC: Thank you very much for coming to the 12th Tokyo Dialogue of “Central Asia plus Japan” Dialogue on “Connectivity with Central Asia and the Caucasus” Open Symposium. Today’s symposium will be held with simultaneous interpretation between Japanese-English and Japanese-Russian. If you have any questions about how to use the receivers on the tables, please ask our staff member nearest to you. Please wait momentarily until we begin the conference. Parliamentary Vice-Minister for Foreign Affairs, Ms. Yoshikawa is just arriving to the venue. So, please wait momentarily until she arrives.

Mr. Ichiba Hiroaki, Director, Central Asia and Caucasus Division, Russia Division, Ministry of Foreign Affairs of Japan: We now would like to begin the 12th Tokyo Dialogue of “Central Asia plus Japan” Dialogue on “Connectivity with Central Asia and the Caucasus” at the Open Symposium. My name is Mr. Ichiba. I am Director of the Central Asia and Caucasus Office, European Affairs Bureau, Ministry of Foreign Affairs of Japan, and I will be the moderator of today’s session. Today, following the opening session, we will have two discussion sessions. One is Institutional Collaboration and Human Resource Development for Broader Regional Cooperation. And Panel Discussion 2, Digitalization and Trade and Customs. There will be breaks between each session. Thank you very much for your cooperation today. First of all, on behalf of the organizer, the Ministry of Foreign Affairs, I would like to welcome Parliamentary Vice-Minister for Foreign Affairs, Ms. Yumi Yoshikawa.

Ms. Yoshikawa Yumi, Parliamentary Vice-Minister for Foreign Affairs of Japan: Good afternoon, ladies and gentlemen. Good afternoon. Well, now the government announced that we don’t have to wear masks anymore. So, I’m ready to hear from you directly. You don’t have to wear masks. And good afternoon, ladies and gentlemen. And thank you very much for the introduction. I am Parliamentary Vice-Minister for Foreign Affairs, my name is Yumi Yoshikawa. So, this is the 12th Tokyo Dialogue of the “Central Asia plus Japan” Dialogue. On behalf of the organizers, I would like to give a few words. First of all, I would like to express my sincere gratitude to all the experts who have participated in this Tokyo Dialogue, and also, to the co-sponsors, the Global Forum, who made a great effort in organizing this event, and also, to the organizations that have provided their support to us, and also, the participants who have participated in this event, both in the venue and also online, I would like to say thank you so much. Thank you very much for your support.

Since the independence of the Central Asian and Caucasian countries from the Soviet Union in 1991, Japan has consistently supported their nation building efforts and they have achieved a steady economic development. And we are so happy to see their development. In 2004, Japan became the first country in the world to establish the framework of dialogue with the five countries, which is Central Asia plus Japan Dialogue and also Foreign Ministerial Meetings. And the Government of

Japan has been cooperating in the development of a free and open region. This Tokyo Dialogue, held today, was launched in 2006 as an intellectual dialogue with experts to complement the Foreign Ministers Meeting. So, this is the 12th of those dialogues. The ninth Foreign Ministers Meeting and the Central Asia Japan Dialogue were held in Tokyo on December 24 last year. The ministers agreed on the importance of upholding the fundamental principles of the UN Charter and other international laws, such as independence, sovereignty, territorial integrity and peaceful settlement of international disputes of all countries and at the same time. They also agreed to explore new models of development for the Central Asian countries to achieve sustainable development. As support to such efforts made by the Central Asian countries, the Government of Japan proposed a new partnership focusing on investment in people and quality of growth. The invasion of Ukraine by Russia has also led to a growing movement to avoid using the route via Russia as a logistics route connecting Central Asia with Japan and Europe.

Against this backdrop, Central Asia, as a landlocked region, connectivity towards the sea is a key factor in the development of a free, open and sustainable development. So, this is why we are pleased to present today's discussions on the theme of connectivity of Central Asia and the Caucasus. As Central Asia is at the center of the Eurasian continent, there are various routes of exit to the sea. Among which the Caspian Sea route is one that does not pass through Russia and leads through the Black Sea and Türkiye to the Indo-Pacific as well. Last October, the Ministry of Foreign Affairs, together with the Ministry of Economy, Trade and Industry, JICA, and Japanese companies sent the survey mission to Kazakhstan and Azerbaijan to study the further utilization of the Caspian Sea route. In order to further deepen these studies at this year's Tokyo Dialogue, in addition to logistics experts from Central Asian countries, working-level officials from Azerbaijan and also Georgia have been invited to the Tokyo Dialogue to further deepen these discussions. And we are so pleased to have a keynote speech by Professor Tomohiko Uyama of Hokkaido University, a leading expert on this region. And also, we have invited a speaker from the World Customs Organization which is engaged in global cooperation in the field of customs. So, I would like to conclude my greetings by expressing my hope that today's Tokyo Dialogue will serve as an opportunity to further develop regional cooperation for the sustainable development of Central Asia and Caucasus and to deepen economic and investment ties between Japan and the region. I really hope that we will have very candid opinions from all of you and also very active discussion today. Thank you so much for your kind attention. To the people who are also coming online, I hope that today's discussion is going to be very constructive and deepen the understanding of this region. Thank you very much once again.

Mr. Ichiba: Thank you very much. Next, we will have opening remarks from one of the co-sponsors, Global Forum, from Ms. Mayu Watanabe, President of the Global Forum of Japan.

Ms. Watanabe Mayu, President, Global Forum of Japan: Good afternoon, ladies and gentlemen. My

name is Mayu Watanabe. I am President of the Global Forum of Japan. It is a great pleasure for me to co-organize the 12th Tokyo Dialogue of “Central Asia plus Japan” Dialogue on “Connectivity with Central Asia and the Caucasus”. I would like to express our deepest gratitude to all those who have come to Japan from Central Asia and the Caucasus region to participate in this dialogue. I would also like to extend my appreciation to the Parliamentary Vice-Minister, Ms. Yoshikawa, and all of you who are here in person and also connecting through online. I would like to extend my gratitude to all of you. I'd like to explain about the Global Forum of Japan, GFJ. It is an international exchange organization celebrating its 40th anniversary this year. Its historical roots and can be traced back to the Quadripolar Forum, a conference of wise leaders from Japan, Europe, the United States and Canada. Currently, the forum is leading the international exchange section of the Japan International Forum, a policy thinktank for international affairs, as a secretariat within the forum. GFJ's strength lies not only in its dialogue with the world's major countries, such as the US, Europe, China, ASEAN and India, but also in its outreach to countries in Central Asia and the Black Sea area, which are somewhat less familiar to Japan.

These are the areas very important in terms of this geopolitical positioning. In particular, the Black Sea and Central Asia are at the crossroads of the east-west corridor between Europe and Asia and the north-south corridor between Russia and the Middle East. And it is a strategic point where trade, logistics, transportation, energy and military interests intersect. Therefore, they are extremely important for Eurasian stability. We have been a pioneer in Japan in the Black Sea Area Dialogue since 2005. And at the same time, in order to follow up on these dialogues, we have conducted research on Eurasia where the major powers are dynamically competing with each other, and we have been closely monitoring developments in the Caucasus and Central Asia, under the guidance of Professor Tomohiko Uyama, who will be speaking to you today.

Now Russia's invasion of Ukraine has drastically changed the international situation. Central Asia, with its abundant natural resources, has become a more important partner for Japan in terms of energy security and also securing natural resources. In addition, Japan, with its expertise and high-quality logistics, infrastructure development and industrial development, is an important partner for the free, open and sustainable development of Central Asia, which is located in central Eurasia, by strengthening connectivity toward an outlet to the sea, especially by utilizing the Caspian Sea route which does not pass through Russia. At the Foreign Ministers Meeting held on December 24th last year, Japan and Central Asia confirmed the importance of mutual cooperation as partners in maintaining and strengthening a free and open international order based on the rule of law. I would hope that today's dialogue will be a free and vigorous exchange of views towards further strengthening future-oriented relations between Japan and Central Asia, thank you very much for your kind attention.

Mr. Ichiba: Thank you very much, Miss Watanabe. Now let's move on to the keynote speech. Let us invite Professor Uyama Tomohiko, the Slavic-Eurasian Research Center, Hokkaido University, please.

Professor Uyama Tomohiko, the Slavic-Eurasian Research Center, Hokkaido University: Thank you for your introduction. I am Uyama. I am from the Slavic-Eurasian Research Center of Hokkaido University. I am an expert of the Central Asian history and I have been involved in this dialogue, the Tokyo Dialogue of Central Asia plus Japan Dialogue. So, today I would like to highlight the Caspian Sea and really would like to discuss about the other issues surrounding this. I'll take about 10 minutes or so to review the history and the possibility of the Caspian Sea against the backdrop of its history. When it comes to the Caspian Sea, this is a little bit into the western side of the Central Asia. And on the northern side of the Caspian Sea, there is the Silk Road steppe route, and also on the southern part we see the Oasis route. And when you look at the history, the nomads of the steppes usually use the northern part of Caspian Sea. And also, even in the southern regions from the Mongolia and Central Asia, when a new country expanded its territory, for example, part of the Mongolian Empire Il-khanate and also Seljuk dynasty, these nomadic powers and states usually expanded into the southern part of the Caspian Sea. Therefore, it is the Turkic people who were distributed not only in the Central Asia, but also in the Caucasus. However, the Caspian Sea itself is not so conspicuous when it comes to its history.

In the 10th century, Istakhri wrote an Arabic geographical book. And he said or he wrote that from the sea nothing can be extracted that can be extracted from other seas such as gems, pearls and corals. And it brings nothing useful except fish. But when you think of the north-south trade route, this area was very important, especially when it comes to the Astrakhan, that is the northern coast of the Caspian Sea, and the merchants from Genoa, Armenia, and India established trading posts, and it became a hub for trade between South Asia, Iran and Russia. The all the wealth created by this trade were attacked by Cossacks and especially the Stenka Razin. The name is well known as for those type of attacks.

What about the east-west trade? The trade itself was relatively low. The eastern coast, the Central Asia side, was basically desert so a sparsely populated area. However, there were diagonal routes connecting the southeast and the northwest, such as a trade route between Tabaristan in northern eastern Iran, and also, Derbent in Dagestan, and also, a route from the Karagel port at the tip of the Balkan Peninsula to Astrakhan on the opposite coast. And during the Russian Empire, in 1869, Krasnovodsk was opened. This is Türkmenbaşy. And the traffic to and from Baku increased during that time. Russian conquest of Turkmenistan was carried out by transporting troops across the Caspian Sea from the Caucasus. And there were three times of this type of attack. And especially, the Caspian Oblast, which roughly corresponded to Turkmenistan, remained under the jurisdiction of the Caucasian Governor until 1890, so that there were strong relations between the two coasts of

the Caspian Sea.

So, it was not that conspicuous, yet the Caspian Sea has been the hub of the trading routes of adjacent regions. And now it is drawing attention for its resources, especially for oil and gas. And even during the Russian Empire, Baku's oil has been known to the people. But during the Soviet era, most of the areas that could be easily drilled with Soviet technology were exhausted. And although Kazakhstan's oil development was based on the experience of the Caucasus, there are many areas that could not be easily drilled with Soviet technology. But with the arrival of foreign technology and capital around the time of the collapse of the Soviet Union, the resources of the Kazakhstan Sea attracted attention due to its great potential for the development. And various plans were made to construct pipelines for oil and gas exports. And from the late 1990s through the 2000s, it was almost the Caspian Sea boom.

The development of the eastern shore of the Caspian Sea, namely western Kazakhstan and western Turkmenistan, using oil and gas as leverage, solved the problem of the lack of population and also economic resources on the eastern shore. Last year, September, I visited Aktau of Kazakhstan, which was at the shore of the Caspian Sea. And I found the town powerfully developing. So, facing the Caspian Sea, there are lots of beautiful parks with rocks. And I hope that you will visit there. And also with the Chinese One Belt One Road initiative, new routes across Eurasia are gaining momentum. And also, Türkiye is now really involved in the development of this region. And also, Japan is also very much involved in the development of this region. And currently, for the Central Asian countries to reduce their over reliance on Russia, other trade routes have also raised expectations for increased connectivity through the Caspian Sea.

So lastly, I would like to a little bit touch upon the unfortunate current situation. Russia's war of aggression against Ukraine has really heightened the military significance of Caspian Sea. The Caspian Sea is not far from Ukraine, and unlike the Black Sea, it is difficult for Ukrainian forces to detect the movement of the military there. Russia has taken advantage of this condition to launch missile attacks on Caspian Sea and other parts of Ukraine from the airspace above. And unfortunately, there are lots of damage done. And I must say that the Caspian Sea became a sea of war. So far, Ukraine has not really attacked the Russian side. And also, they do not have enough weapons and ammunition, but they have the right to do so. In other words, the Caspian Sea could be the real field of battle in the future. And also, Russia imports arms and ammunition from Iran via the Caspian Sea route. These things go against the spirit of the peaceful use of the Caspian Sea as outlined in the Caspian Sea Legal Status Treaty. Iran has not approved it yet, so it is not yet in force, but this has highlighted the useful use of the Caspian Sea.

Therefore, what Russia is doing is really against the spirit of this Treaty. So, for the time being,

cooperation between Japan, the West and the Caspian Sea littoral states cannot really include Russia. However, Russia and Iran are important neighbors for Kazakhstan, Turkmenistan and Azerbaijan. And Iran, in particular, is a shortcut to the open sea for Central Asia. Considering the history of the Caspian Sea, that it is very difficult for Central Asia to use this land route over Iran to the sea. And we have to solve that in the future. And the Caspian Sea has been working as a hub for the north and south trade, and it is much more possible to have Russian and Iran included in this discussion so that we can have a great cooperation. I hope that both countries will be reborn as peaceful nations so that this Caspian Sea can serve as a hub for the relations among the different countries. Thank you very much.

Mr. Ichiba: Thank you very much. Now we would like to call upon Mr. Kurosu Toshihiko, Director of Russia, Central Asia and Caucasus Office from the Ministry of Economy, Trade and Industry.

Mr. Kurosu Toshihiko, Director of Russia, Central Asia and Caucasus Office from the Ministry of Economy, Trade and Industry of Japan: To our esteemed guests from Central Asia and the Caucasus, the Japanese speakers and panelists, ladies and gentlemen, I would like to thank you for this opportunity to make these remarks. My name is Kurosu. I am the Director of Russia, Central Asia and the Caucasus Office of METI. So, Professor Uyama just shared with us this history, and the background, and some of the features of this particular region. It has been a fairly a thorough presentation from the professor.

So, this time around I would like to specifically focus on the theme of prospects and challenges of the Caspian Sea route. Japan has been cooperating with the countries of Central Asia and the Caucasus for their sustainable economic growth, including industrial diversification and the diversification of the development of high-quality infrastructure. The countries of Central Asia and the Caucasus are generally rich in natural resources, such as oil, natural gas and metal mineral resources, and are strategically important to Japan as the supplier of these resources. The international environment surrounding the countries of Central Asia and Caucasus, as mentioned by the Professor Uyama, has recently changed drastically due to Russia's invasion of Ukraine. Perhaps aided by this change in the environment, business relations between Japan and Central Asia and the Caucasus are also undergoing changes. For example, in 2022, the volume of trade between Japan and the countries of Central Asia and the Caucasus is generally increasing significantly. It can be inferred that along with the easing of the restrictions on travel due to the new coronavirus, of course, prior to that, there has been a fairly strict restriction. Prior to that, the Japanese companies were not able to engage in trade. But now, with the easing of the restrictions, we are seeing signs of recovery of these economic activities. As far as METI, Ministry of Economy, Trade and Industry, is concerned, we are actively encouraging companies to expand into the Central Asia and Caucasus region, to further accelerate their strength.

While, of course, we will need to give due consideration towards Russia and provide a roundabout trade to Russia. Just to give an example, in September 2022, the 11th Japan-Azerbaijan Joint Economic Conference was held in Baku, where discussions focused on expanding trade and investment. JCM, the joint crediting mechanism, a bilateral crediting system for greenhouse gas emission reduction, was also signed in conjunction with the conference. The following October, in Tashkent, the 16th Japan-Uzbekistan Joint Economic Conference was also held with about 70 or so Japanese participants, and likewise, a JCM was concluded here. In November, in Tbilisi in Georgia, a business forum was held with more than 15 Japanese companies participating. Now, for this fiscal term, in February, that is just last month, nine small and medium-sized companies visited Central Asia as part of the public private mission funded by METI. And many interviews were conducted leading to various economic activities.

Likewise, in the same month, in February, we asked the ambassadors of the five countries from the region to further encourage Japanese companies to expand into Central Asia, thereby holding the Central Asia Business Dialogue. For the participating companies, there are those that have been able to raise the interest amongst the Japanese companies who are looking into starting business there. So, it's shown here, as far as METI is concerned, we will continue to support further expansion of Japanese companies into the countries of Central Asia and the Caucasus. At the same time, securing and improving logistic routes is an extremely important theme when considering further expansion and mutually beneficial trade.

Based on this awareness of these issues, as Mr. Yoshikawa, the Parliamentary Vice-Minister mentioned, the Caspian Sea mission was organized by the Ministry of Foreign Affairs in October last year. METI also dispatched other staff members. So, there has been other routes. There has been huge impact on the other routes due to the current environment. We have visited various entities involved in the logistics, engaged in those in the logistics, and conducted various dialogues. So, through those dialogues, we have been able to be aware of the importance of this Caspian Sea route and its potential. So, in 2022, we have received confirmation from the relevant ministries that the volume of cargo passing between Baku and Aktau utilizing the Caspian Sea route has increased 54% year on year. That is the number that we have been able to confirm.

We do believe there will be further increase in the cargo volume and the freight volume in the future. So, given this in the backdrop, what is the motivation for Japanese companies to utilize the Caspian Sea route traditionally? As part of the transportation route, the Siberian Railway has been used from Japan to Europe, Central Asia and Caucasus, and also, Central Asia to Japan. However, after the situation in Ukraine became intense, alternative routes are now being considered. Various issues have also been pointed out with regard to the route via China, such as the uncertain lead times due to custom clearance imposed by COVID-19. In light of these issues, the use of the Caspian

Sea route is now under serious consideration.

As mentioned, from the Japanese companies that participated in the October mission, I'd like to share with you some of the feedback. Some are already using the Caspian Sea route to transport automobiles and other goods to Central Asia as an alternative to the conventional route. Also, some are considering using it as a transportation route to Central Asia in the future. Thirdly, based on hearing this feedback, some have been able to try to start a trial given the potential of this route. So, some are looking into, on a trial basis, transporting natural resources from Central Asia to Japan via the Caspian Sea route. Given these factors, the Caspian Sea route can be seen as a potential route that could become a major route in the future, rather than being an alternative or contingency route for existing logistic routes. In other words, the strategic importance of the Caspian Sea route has been increased.

So, we'd like to share with you what are some of the challenges must we address in order for the constancy route to further reach its potential. Just to converge on some of the points raised by the other companies that participate. So, one is related to cost. And the second is related to lead time. So, on the Caspian Sea route, there is more frequent transshipment involved from rail to ship, multiple customs clearance, due to many border crossings, that is the first issue. Also related to the infrastructure, it is still in the midst of development. Also, another point, this is quite an externality issue, but this is related to the climate and the weather conditions; there's uncertainty as to how these vessels may navigate. So, indeed, for the lead time and some of the productivity related to it, there are definitely lies an issue. In addition, in terms of logistics quality, depending on what sort of cargo we may transport, as part of the feedback from the Japanese companies, they would like to see improvement in the quality of transportation in some areas.

Of course, I would not like to be pessimistic here. And I do believe, and I am aware that those of you who have gathered here today are actively involved in this with the assistance from the governments of Central Asia and the Caucasus. I've heard that there has been a number of logistic conferences, and also, discussions on the simplification of customs clearance are underway. Also, there has been issues to strengthen the port infrastructure and increasing the number of rail cars, ferries and tankers in their respective countries. This is the feedback from those who have participated in the mission.

In closing, I believe that this symposium is an excellent opportunity since all the stakeholders and the entities above have gathered here today, perhaps, can contribute to the development to the Caspian Sea route, such as through digitalization. So, I do believe this is an excellent opportunity to pursue this further. So, from a Japanese perspective, I would like to conclude and express my strong hope for the further development of the Caspian Sea route, as we expect to see increasing the

demand. Thank you very much for listening.

Mr. Ichiba: Thank you very much, Director Kurosu. And we will take a little less than 10 minutes' break. And we will resume at 2:50. And we will be preparing the set up for the panel discussion.

2. Panel Discussion 1

Mr. Ichiba: We'll be starting panel discussion. Number one, please take your seats. Thank you very much for waiting. Now let's begin Panel Discussion 1: The Institutional Coordination and Human Resource Development for the Wider Area Collaboration. Please wait to make a comment until the moderator calls upon your name. In order to ensure smooth proceedings, we will ring the bell when the designated time has expired for each panelist. So, first of all, panelists from the Central Asia and the Caucasus will talk about the current situation, challenges and future prospects in the countries.

Mr. Ichiba: First of all, would like to call upon the Mr. Arman Adepbayev, Senior Expert, the Ministry of Industry and Infrastructure Development of Kazakhstan.

Mr. Arman Adepbayev, Senior Expert, Ministry of Industry and Infrastructure Development, Kazakhstan: First of all, let me thank the organizers and Mr. Ichiba for inviting me to this event. Again, I would like to thank the organizers for this opportunity and thank you very much for the warm hospitality. Today's symposium is related to expanding economic ties between our countries and will definitely strengthen relations in the field of transport. In the modern development of Kazakhstan, the transport industry is defined as the artery of the state's economic life. The state of the transport component is a determining factor for the entire economy of the Republic. And the effective use of the transit potential stimulates the desire for continuous improvement of the transport infrastructure. Given the growing volume of freight flows between the major producers, east, and the significant consumer, Europe, the main objective of Kazakhstan's transport policy remains the further creation of the Eurasian Transcontinental Bridge. Having a complex of road and rail networks routes as well as strategically important ports of Aktau and Kuryk on the Caspian Sea, our country is able to realize the available national transit resource to ensure uninterrupted Eurasian transport communication. To date, the Trans-Caspian International Transport Route, TITR, is passing through the seaports of Aktau and Kuryk as the main alternative route for the transportation of Kazakhstan exports and transit cargo.

So, in terms of the capacity, it is at 6 million tons per year, including 80,000 TEU. Current shipment of cargo through the seaports of Aktau and Kuryk within the framework has become two times higher, with 1.67 last year, but the year before, it was 800,000. Last year, in terms of the container transportation, in comparison to the previous year, it increased by 34% in 2021, at 25,000 TEU. But

last year in 2022, it was 33,000 TEU. For this year, we are expecting to increase the volume to 2,000,000. For the potential of this route, and in order to dissolve the bottleneck, we have the roadmap to eliminate the bottlenecks on this route in November last year. And this has been signed. So, the port capacity will be increased. The number of vehicles will be increased as well. We would like to provide a favorable condition to those involved. By this, we can increase the execution to 11 million in tonnage. So, within the roadmap framework, we are planning to invest more than 1 billion US dollars. So, it is a project underway to further increase the transit from China to Europe. So, the Dostyk-Moyinty freight line was started, in terms of the second track. And by doing so, the capacity should be increased by five times, and there is an increase in the speed of transportation to 1500 kilometers per day from 800 kilometers today, and some of the characteristics. This projects we would have a 40% and the cost would be reduced, and also, the time for transportation reduced by 24 hours. Also, Kuryk port is part of this transportation network. So, 21 million tonnage is the per annum capacity. And in order to increase the cargo transport and the container transport, by the year 2025, we would like to establish the container hubs to improve on the births, and also, to do dredging of the port, and so forth.

So, CMA CGM, these international container operators, we are expected to solicit. So, by the year 2025, Xi'an overseas terminal and the green terminal are expected to be constructed. And by 2025, we will conduct the construction of the birth ferry with the dredging in place. Also, as part of this expansion, Cosmo Transport, which is the national marine transport company, by 2030, they're expected to construct more tankers and ferries. But this project is underway with Abu Dhabi port. And 25 vessels are expected to be built in the first half of this year. The 1st two tankers will be completed. And by the year 2026, four tankers and also four ferries – and the remainder of 15 vessels will be constructed by 2030.

And finally, ladies and gentlemen, in Kazakhstan, within this region, we do have the potential to become the transit hub for this area connecting Eurasia. We will definitely become play a significant role in fulfilling this role as the bridge. So, we will continuously increase our transport capability. We will begin one of the forces to further expand the trade. Thank you very for much for listening.

Mr. Ichiba: Thank you very much. Now moving on to the Kyrgyz Republic, the Deputy Minister of Transport and Communication, Mr. Mederbek Kurmanbekov, please.

Mr. Mederbek Kurmanbekov, Deputy Minister of Transport and Communication of the Kyrgyz Republic: Thank you very much, Mr. Ichiba and all participants. First of all, on behalf of the Ministry of Transport and Communications of the Kyrgyz Republic, I would like to say hello, and also, thank you for your warm welcome. And also, I would like to take this opportunity to thank the Japanese Government for allocating the grant for the implementing of the Project for the Protection from

Ground Blizzard on Bishkek-Osh Road, and for the cooperation in the field of road construction, and the development in Kyrgyz Republic for 26 years through the Japan International Cooperation Agency. 10 projects have been already promoted. And five projects are under development. And within the framework of the cooperation, the project on construction and reconstruction of transport corridors in the Kyrgyz Republic is being implemented. The provision of improved facilities for winter road maintenance and protection from avalanches on the road of the Kyrgyz Republic ensure reliable and efficient transport of goods and passengers on the roads of Kyrgyz Republic all year round.

Today, our challenge is to develop a land transport corridor that is viable, competitive and integrated into the international transport system, taking into account the interconnected transport infrastructure of our partner countries. It is also very important for the Kyrgyz Republic, which is landlocked, that partners provide a non-discriminatory access to the seaports of their countries, promote liberalization of international transport, and reduce non-physical barriers across the territory of transit countries. And the current important challenge is the formation of the digital transportation corridor to reduce travel time, lead time, administrative costs, and downtime in transportation and logistics. Digitalization will define optimal routes and transportation conditions through the use of legally important electronic documents, the formation of a unified information environment will optimize the functioning of state management bodies, including at the super-national level. The exchange of experiences among the countries is very important. And digitalization is crucial for us. Therefore, I would like to ask for your support. And our challenge to make the Kyrgyz Republic a transit country with safe and demanding corridors for the transport of passengers, goods, and cargo by 2040.

And currently, we are working on the enhancement of the infrastructure with Uzbekistan and other Central Asian countries. The possibility of a transit should be expanded. With Central Asia, Japan and Caucasus exchanges, we hope that an integrated approach will be formed and developed with the framework of a continuous chain of transportation, trade and investment. The international transport system should be created. Bureaucratic procedures should be simplified as much as possible. And also, non-physical barriers should be reduced or even removed. The positive international experience must teach us a lot of things. And finally, let me once again thank you for organizing such a large event and express my hope for further fruitful cooperation among the Central Asian countries, Japan and the Caucasus region. We would like to do our best and want to promote the cooperation among ourselves. Thank you very much.

Mr. Ichiba: Thank you very much. I'd like to ask Mr. Khusrav Mirzoev, First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs, Tajikistan.

Mr. Khusrav Mirzoev, First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs of Tajikistan: Thank you very much for the introduction. I'd like to start off with my words of appreciation. To the organizers from Japan, thank you very much for such a spectacular organization of this symposium. The key focus of the Japanese business community, I am very glad that you were able to select this topic. So, I do have some presentations for you. So, this relates to the prospects for the development of transport corridors between Central Asian and trans-Caucasian republics. So that is the theme of today's presentation. So, this shows the map of the area. These are the main routes of Central Asia and the Caucasus, so the Middle Corridor is said to be the name of this particular route. It shows Türkmenbaşy, which is on the eastern side, and it connects Baku, and it goes through Azerbaijan and Georgia, all the way to the Black Sea. So that is the corridors route. So, we call it the Trans-Caspian International Transport Route. This is the name that has been given. As some have mentioned this route already, as we speak right now, it is seen as an alternative route. But going forward, it has the potential to become the main route connecting these regions and areas.

However, in order for it to become the main route, we need to engage and measure, and we need to address major challenges. First of all, all our countries need to collaborate with one another to address these issues. The largest issue is that it has to pass through two bodies of water. In order for us to reach Europe, two seas and five borders need to be crossed. So TRACECA is the dialogue that has been underway within the region. So TRACECA was established back in 1993. It is an international transport program. So, the aim is to increase the trade volume in Caucuses and Central Asian regions. So, this is an initiative and program to further increase the trade route. Needless for me to go into details, I'm pretty sure you're aware of this program. So, these three countries serve as the representatives. And Tbilisi, which is the capital of Georgia, has held the most recent conference. So, this shows the outcomes of the previous years for TRACECA. Some major initiatives are written here. One of them is the exemption from the use of visas. Also, various permits of related programs – or to simplify or make these permits common amongst the different regions.

So, these are some of the important programs underway. So, under this framework of TRACECA, various documents and resolutions have been made. Some of them have been fully implemented. But we do believe there are a number of other issues that still need to be resolved. Various statistical data have been compiled by different countries, and they have been shared amongst them. This would be important to facilitate and address the issues related to transportation. Multi-modal transport is very important because this route is based on the prerequisite of using this multi-modal transport. Automobiles are used, and, of course, and marine vessels and ships are used within this route. And we do have a number of new initiatives as well. One of them is the Visa Free Initiative, which I have already mentioned already, this is a very important initiative. For instance, the drivers of the trucks who are directly involved in transportation will be exempted from the visa. And they can engage in the transporting of the cargo, which is very important. So, this concept relates to

maritime transport. So, the vessels are obviously responsible for the maritime transport. So, we will continue to develop and also refurbish the existing vessels. Within this corridor, maritime transport is very important. So, in order to gain the popularity of this route, we need to have affordable and also fast and efficient implementation of maritime transport.

This shows the projects initiatives towards the future. Since last November, within the TRACECA framework, these projects are underway. So, in Tajikistan, I like to share with you what exactly is happening in terms of our initiatives. So, in terms of our customs, the customs play a very important role in the transport of these cargo. In Tajikistan, we do identify that as an important role, so a one-stop service is provided, and the regulations have been implemented accordingly. So, for instance, if it is a truck transport. If they are permitted to pass through the border at one particular point or one stop, and by going through this one particular area, all their relative documents will be checked. So, this is a diagram of the procedure for passing through the border control. So, first of all, the trucks will be checked at the point of entry at the border. But the bottleneck that exists within our country is the lack of IT tools. As we speak, we have not been able to implement that. For instance, I had the opportunity to pay a visit to Tokyo Customs and have been able to witness how IT tools have been effectively used in Tokyo.

So, the staff of the customs would no longer need to open each single cargo because of the use of IT tools. So, we do hope that we can introduce similar tools in our country as well. Now, between the year 2020 to 2024, we have the program of development of customs authorities. So, a couple of years ago this has been adopted in our country. And immediately after that we have seen the outbreak of COVID-19. So, various programs' initiatives, unfortunately, lagged behind or are slowing down because of the pandemic. This relates to the electronic declaration system and improvement of infrastructure at border crossings. So, this has been one of the bottlenecks. And in order to address this, various initiatives are underway. So, there's an electronic declaration system. It is important that we transit, and also, shift to the electronic declaration system. So, we will connect with Uzbekistan in this effort. In order for this electronic declaration system to work at the time of crossing of the border and also crossing of the customs, we need to build a new type of buildings that would enable these tools to be implemented. So, the improvement in the infrastructure, as mentioned, the green corridor, we need to establish green quarters and also establish scanners and the introduction of digitalization. These are all important.

And also, using smart tags and customs seals using GPS, that is another target that we have. Also, as part of free trade, Tajikistan has been promoting this free trade. So, we have been able to dramatically reduce the time required for the clearance, and also, transport of the cargo. Back in 2017, it used to be 3 hours. But last year in 2020, it has been reduced to 30 minutes. That is a report that we have received from the customs. So, at these major the customs points, basically, these are

the customs clearance time at the major points. I have mentioned that there is definitely a need for proper infrastructure. And the key here is the loss and the time that is happening right now. So, these trucks are parked. Perhaps, there is not enough space for these trucks to park, so that has been one of the bottlenecks. This slide shows some of the collaboration between Tajikistan and some of the collaborating countries. So, for instance, with Azerbaijan, this is the actual the cargo that has been transported. And for instance, by mode of transportation, for instance, by road and so forth, it is charted in this table. It shows the cooperation in terms of the rail with Azerbaijan. And this is a list with Georgia related to the road transport. So, various data I am showing.

So, Georgia and our country, in terms of the rail transport, there has been none last year. So, last year it was primarily on the road transport only. It was unfortunate that there hasn't been any rail transport. So, this shows the trade of turnover of Tajikistan with the countries of Central Asia and Caucasus. Right now, we do appreciate the fact that we still have a number of issues. So, the green and the corridors will be established so that we can significantly increase the volume of trade with these countries, that would lead to further manufacturing of different items, and also, the overall production volume increase in general. So, Kazakhstan and Uzbekistan are the major partner countries. So, Kazakhstan accounts for 20% of the total trade. And Uzbekistan is about 7% or so. And Caucasus across countries, for instance, Azerbaijan is less than 1%. So, Azerbaijan's contribution is less than 1% in terms of the total trade volume of our country. Of course, the lesser the trade, obviously, that means less transportation volume as well.

Also, in terms of the interaction in terms of the political realm, so there are no numbers, but this is also a very important issue. This is how we can collaborate in terms of politics. So, today is the 15th of March. So, yesterday and also today, in Baku, the project of simplified transit customs procedures along the East-West Trans-Caspian International Middle Corridor, this project, has been the one of the main topics of the multilateral meetings. So, basically, a one-stop single window principle has been discussed. So, the top head of our customs authorities is participating as we speak in this meeting held in Baku. Of course, there's a time difference. Baku is still in the morning. So, I do believe the meeting has already started. This year in 2023, we are expecting to have various summits and exchange visits of the heads of a number of Central Asian and Caucasian republics and one of the agenda items is related to cooperation and transport procedures, relative to simplification of customs procedures. That is all in terms of my presentation, apologies for going overboard with the time, but thank you very much for listening.

Mr. Ichiba: Well, thank you very much. And now, next, from Uzbekistan, Director of Development of Transport Corridors and Logistics Department, Ministry of Investment, Industry and Trade, Mr. Khashimov, the floor is yours.

Mr. Abdulla Khashimov, Director of Development of Transport Corridors and Logistics Department, Ministry of Investment, Industry and Trade of Uzbekistan: Thank you very much, Mr. Ichiba Hiroaki. Ladies and gentlemen, let me, on behalf of Ministry of Investment, Industry and Trade of Uzbekistan say so many thanks for your onsite for organizing, inviting us here Tokyo. Together, represented from Central Asia and Caucasus region for improving and for the development of a new transport corridor alternative from the corridor via Russian territory. I would also like to thank Ms. Watanabe, Professor Uyama, and Mr. Kurosu for their very fruitful presentations and good proposals. It is well known that over the past 30 years Uzbek-Japanese friendly relations and multifaceted cooperation have developed dynamically. Over the past years, with the participation of Japanese company, Marubeni, JOGMEC, Mitsubishi, Itochu, Sumitomo, Shivaki, Isuzu, and others, investment projects more than 11 billion US dollars have been implemented in the fields of energy, agriculture, chemical, oil and the gas industry in Uzbekistan.

Today, to find the new alternative corridor is vital for Central Asian countries to improve the trade with European countries, the United States, or other countries.

Within the framework of Central Asia Caucuses plus Japan format in our opinion, the following proposals could be considered for the next proposals. First, we support to continue the harmonization and unification of the regulatory and legal framework of international transport via this corridor. Secondly, modernization of railway rolling stock, strengthening of containerization of cargo transportation, expansion of modality, electrification of railways will be required. It is necessary to update the vehicle fleet, create favorable conditions for the transportation of goods by road and transit, equalize fees, transfer international cargo transportation, including to/from third countries on a non-permissive basis.

The key task is the digitalization. And I fully agree with the proposals provided by Mr. Kurosu that Japanese companies should and can participate in all these investment projects to improve digitalization, customs and checkpoint of full transportation systems in Central Asia. It is approximately \$10 billion of investment needed here. And improvements in capacity in trade and the living standards, and also, it will be very close Central Asian and Caucasus region with Japan and with the Europe for the other side.

In all these areas, we are ready to cooperate with Japanese companies in the terms of attracting investment new and high technologies, machines, technological mechanisms, and transport logistics custom services. Finally, in my speech, I should say, we, together with the Japan side are ready to develop this transport corridor, to transport this corridor, from a trade corridor to an economic corridor, and an investment corridor, and humanitarian corridor, and the corridor to strong friendship and mutual cooperation and collaboration. Thank you so much.

Mr. Ichiba: Thank you very much. From Maersk, Dr. Irakli Danelia, please.

Dr. Irakli Danelia, Business Development Head for Black Sea and Central Asia Regions of Maersk Tbilisi, Georgia: Honorable guests, dear delegates, distinguished organizers, thank you very much for having me. It's a pleasure, on behalf of Maersk, to present today, very briefly, the presentation due to the fact that the time is quite limited and valuable for all of us, New Reality of Middle Corridor Opportunities of Caucasus and Central Asia. Let me kick off with the new geopolitical circumstances we are living right now. At the geopolitical configurations around the regional level, there are challenges as well as the opportunities. Because when there are challenges, there is always room to have opportunities as well as you may agree. First of all, very briefly about the challenges, the war in the territory in Ukraine, they impose sanctions toward the Russia and Belarus; suspended shipment by the global shipping lines to Russian commercial seaports, including Novorossiysk and Saint Petersburg; and last but not least, unreliability of Trans-Siberian transit corridor for the global corporations coming from the Asian countries to Europe and vice versa.

But as already mentioned, when there are challenges, there is always the room to have the opportunities as well. And the opportunity has already come to the Middle Corridor, which became one of the reliable alternatives for arranging the cargo flow deliveries from west to east and vice versa. And the Black Sea and Caspian Sea ports became the hub of the European and the Asian rail routes through the Middle Corridor. This is the new geopolitical circumstances and the economic basis we are facing right now. So, when it comes to the current status and cooperation among the Middle Corridor Member States, here we should consider the two levels of cooperation.

First is the political dialogue. And the second one is the operational technical level. Let me very briefly touch the political one, which is organized by TRACECA, which was already mentioned by my colleagues. I will avoid a comprehensive report on that part, but I would say that the Intergovernmental Commission promoting the development of logistical developments, not only the logistical developments through the Corridor Member State countries, but also supporting forming the facilitate, legislative basis among the countries. It's about the logistics. It's about the trade facilitation. It's about the economic coordination among the countries. and the Member States are presented here, but apart from this, we have Türkiye, Bulgaria, Romania and so on. But when it comes to the technical parts and technical level, we should emphasize the importance of the TITR, Trans-Caspian International Transport Route Association. This is the coordination platform within the Middle Corridor to create one-stop shop solutions among the countries by close cooperation between the countries – railway companies, seaports, big logistical companies, as well as the logistical providers themselves.

Right now, the association is providing fixed and adapted rates through the corridor. For sure, there

is always a way to improve. We can improve it, but this is, indeed, a vital platform which is able to coordinate this smooth connectivity through the corridor. When it comes to the setbacks, let's put it like that, within the corridor, for sure, we can't deny the fact. That the corridor is absolutely adapted and there are no issues, no, this is not reality. But let me very briefly identify for you three key points three key subjects where we, Maersk, have already experienced bottlenecks.

First is Caspian Sea operational limitation. The second one is the China-to-Central-Asia border capacity limitation. And third, last but not least, this is the digitalization, I mean track and tracing, visibility limitation. But those limitations are not the final stage. This can be improved and we at Maersk are doing our best and focusing on that issue to contribute from our side. From Maersk's perspective, we see the importance of our participation in the process, not only as a shipping line, the biggest shipping line worldwide, but as a global containerized logistical integrator. Our group has a world class experience in tracking rail, a part of ocean, for sure, warehousing, distribution, intercontinental rail solutions, and as a global supply chain management organization. So, we see ourselves as critically useful for the development of a Middle Corridor.

And in response to that, I can, with the pleasure, introduce our approaches and the projects already launched through the contribution of the corridor itself. First are the direct ocean services within the Black Sea. When it comes to the connectivity between the Black Sea countries will launch the direct service from Georgia to Ukraine before the war. But right now, we are working to substitute the support by Port Reni. It will be launched next week. This is very breaking news for us. Also, we launched the direct service from Georgia to Romania to Constanța. And by that solution, we are connecting mainly the Chinese flows and the Central Asian flows to the western part of the Europe and the European Union, mostly the countries like Germany, France, the UK and so on, and so forth. We, already, since 2020, launched the block train solution coming from the China Sea ports through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia and further to European countries. We are fixing the direct services from Poti, Georgia to Kazakhstan. The second phase will reach Turkmenistan. And through Turkmenistan, there will be direct connectivity to Uzbekistan and the rest of the stan countries.

Warehousing and distribution is the one of the main points when it comes to the complex logistical focus on Caucasus and Central Asia and supply chain management adaptation. In that part, I would like to emphasize the importance of the digitalization, which was already mentioned by our colleagues. But let me put it in a very practical way from our side. We are already cooperating with the United Nations as well as the TRACECA in order to adopt the digital solution which we already experienced in the rest of the world, which is called the TradeLens, which underpinned by a blockchain solution for all potential stakeholders in the world, including the customs authorities of the countries, seaports, rail companies, logistical companies, and shipping lines themselves. But apart

from that, we are developing the local, separated, so-called individual digital solutions, which will be adopted for the local specificities of the countries. So, we are very actively evaluating and working on that project.

Apart from that, I'm sure the main interest from the audience could be the expectations from the foreign companies, particularly from the Japanese companies, what can be within and through the corridor, when it comes to the Caucasus and Central Asia. The question on that, it's and the argument behind it's very easy to answer. The first one is the vast natural resources which can be absorbed by the companies themselves and by the Japanese market representatives themselves – The robust transport and communication infrastructure, which has already existed, but extra investment is always welcome. And as you may agree, the diversification of the resources, investments and capital is always a good idea for business. Apart from that, the usage of adapted human capital – And governmental incentives and support, when it comes to investment, it's always suitable. And we, at Maersk, we are more than happy to cooperate on joint-venture projects. And we are happy to consider any opportunity coming from Japan through the corridor, including starting from Georgia, ending with Kazakhstan, and the all the rest of the stan countries. And last but not least, the area is very attractive. For Georgia, I can easily say that here there is direct access to such a strategically important market like the European Union. As you may know, we have a deep and comprehensive free trade agreement with the EU, which means that the export flows are free of charge, and there are a lot of benefits and facilitations which can be discussed separately after the panel. So, thank you very much once again. And we'll be looking forward to having one-to-ones with each of you. Thank you very much.

Mr. Ichiba: Thank you very much again. Next from Deputy Head of Transport and Logistics Development Policy Department, Ministry of Economy and Sustainable Development of Georgia, Mr. Rati Devadze, please.

Mr. Rati Devadze, Deputy Head of Transport and Logistics Development Policy Department, Ministry of Economy and Sustainable Development of Georgia: Dear distinguished guests, His Excellency Ambassador, our listeners online, good day. First of all, I would like to thank Minister of Foreign Affairs as well as Global Forum of Japan for organizing and enabling this dialogue. For Georgia, it is very important that Japan is interested in developing corridors through the nations of South Caucasus and Central Asia. We are ready to cooperate and enhance relations in this direction. As a short country profile, Georgia is strategically located on the crossroads of Europe and Asia, with 2.3-billion-dollar market access on different geographical locations that we have free trade with. Hence, Georgia is not just a transit country, but a place to do business with other countries around. Also, as an advantage, we have very flat rates and low taxes. And we don't have profit tax when revenue is reinvested. And Georgia is recognized as one of the easiest places to do business at. You

can open a business there in one or two days and procedures are very simple. We also have a highly educated and skillful labor force. And we have very stable and fast developing banking system. And our infrastructure is high quality, and we are always developing our infrastructure, and I will touch upon this subject later on as well.

Here, you can see our network, transportation and logistics network of Georgia. Hence, we have abundance of high-quality road and rail network in Georgia as well as high quality ports and airports. We have two container ports so far in Georgia, Batumi and Poti, with combined capacity of around 350,000 TEUs per annum. Our railway throughput capacity is around 27 million tonnes per annum. As I have mentioned, we have a very generous and lucrative geographical location. Although, we know that we need to supplement this location advantage with high quality and developing hard infrastructure as well. Hence, we have a number of large-scale infrastructural projects, for instance, a railway modernization project that will increase throughput capacity of the Georgian railway from 27 million tonnes to around 48 million tonnes; it is approximately a doubling of throughput capacity of the Georgian railway. We also have the Baku-Tbilisi-Kars railway project, that is a very historical project not only for Georgia, but for the entire region as well. And it's because it's the first time Georgia, Türkiye and Azerbaijan are connected by railway infrastructure. It was not possible until 2017. In 2017, as this route was opened in a test mode, and already up to this time more than 1,000,000 tonnes of cargo has been transported on this route.

Last year, for instance, around 20,000 TEU of containers were transported by this route, enabling and enhancing regional trade of Türkiye, Azerbaijan, Georgia and farther to the Central Asian. Also, we are modernizing and constructing highway infrastructure in Georgia. Already, 200 kilometres have been constructed. And for the rest of the part, the process of construction is uninterruptedly in process. We also would like to develop Georgia as a regional hub for logistics centers and logistics infrastructure, because we see that evaluating services is very important for developing Georgia as a regional transport and logistics hub. Hence, in the pipeline, there are two projects. One is in the western part of Georgia, next to Kutaisi Airport, in Kutaisi. And the second one is next to Tbilisi, called Tbilisi Logistics Center. In addition to that, when it comes to maritime infrastructure, we have also several projects in the pipeline in Georgia and one is an expansion of Poti seaport, also PACE Terminal plans to enhance its infrastructure, which will double their throughput and capacity.

And the project which is very large-scale in Georgia is the Anaklia Deep Sea Port project. I'll talk in detail about this project. In the phase one of this project, it is ambitious to reach 600,000 TEU of handling capacity in the port and receiving up to 10,000 TEU vessels per call. And it will have around 16 meters of the draft in the port. And, indeed, there are some dredging works that have been conducted, and you can see that on the photo as well. And last month, February 20, the Ministry of Economy and Sustainable Development of Georgia announced a statement of intent for

selecting new investors. Interested candidates are requested to submit legal documents as well as information related to their experience and financial spending until May 19 this year, 2023. And then, evaluation by the commission of selection will be held in July, to identify the investors of the project. For this, the Georgian Government will participate with 51% of shares in construction of this project, which is an incentive for investor companies to understand that the Georgian Government wants to build Anaklia Deep Sea Port, which not only will be beneficial for Georgia, but also for the entire corridor and the entire region as well, because increasing throughput capacity and efficient operation of ports in Georgia has a spillover effect on the different countries that transport goods through Georgia. You can also see the contact person there if further information is needed. Or you can ask later on, and I can give you more information here.

So, these are the countries that we have agreements with, in different directions, whether it is a railway, civil, aviation, maritime transport, or just organizations, international organizations. TRACECA already has been mentioned. Also, we have an agreement on the Lapis Lazuli route. And we have ongoing negotiations also on the Caspian Sea-Black Sea corridor. Here, we can see the root of the Middle Corridor. And we can see that from 2015-2016, we have very stable and increasing growth of containers transported through Georgia on the Middle Corridor from and to China. And when you see the numbers, you can understand that even before COVID hit the world and it had a devastating effect on the supply chains in the world, the corridor, still, was developing, meaning that the attractiveness of the corridor is regardless of what the geopolitical or health-related issues are in the world. So, we put high hopes on the corridor, that in the future as well it will further develop and attract more cargo on it. Of course, Russian aggression in Ukraine exacerbated the signal towards logistics companies across Asia and across Europe that there are new routes to be found. Because, only on one route, you cannot rely on everything.

Hence, of course, that influenced attention and grew attention on the Middle Corridor as well, and Ukraine is one of the important routes of the Middle Corridor as well. And we hope that after stabilization of activities in Ukraine, after ports are open, we can still use Ukrainian the transport network to transport goods and enhance economic activity as well. Here, when it comes to connection between Japan and Georgia, Japan and Türkiye, which is also one of the routes of the Middle Corridor, we see that between Japan and Georgia we have around 30 million USD trade turnover. Of course, there is more trade between Türkiye and Japan as well. It is around 4 billion USD. And there is much more trade between Japan and the European Union, which is around 150 billion. So, these trades can go through the Middle Corridor when we are utilized. And we are ready to pass cargo between Japan and the European Union, and between Japan and Türkiye through Georgia, which is a reliable transportation route. That's all from my side. Thank you very much for the attention.

Mr. Ichiba: Thank you very much. Now, I would like to invite the Japanese panelists. So, I would like you to keep your time, since we are behind the schedule. First of all, from JICA, Deputy Director General, Infrastructure Management Department, Japan International Cooperation Agency, Mr. Koizumi, the floor is yours.

Mr. Koizumi Yukihiro, Deputy Director General, Infrastructure Management Department, Japan International Cooperation Agency: My name is Mr. Koizumi. I am from JICA. Today, I would like to talk about two points. So, you are seeing the three different pictures. On the left hand-side and also on middle side, you are looking at different ones. So, as you can see, JICA has offices in 96 countries and operates in 150 countries and regions. The transportation and the transport infrastructure is one that is in great need of support from countries around the world. As you can see, Central Asia and also Caucasus are all integrated into the global trade. And the second one is about the maritime security capacity improvement. And number five is urban public transportation. Next please. So, the Mekong area, you may not know much about the Mekong. But there are eight countries in Central Asia and Caucasus. The population size is about 9 million – 242 million people. And the population size is 2.5 times larger. And the GDP is almost five times larger.

The chart shows the growth of GDP per capita in the Mekong region countries with the year 2000 at 100. And although, it varies slightly from country to country, Laos and others have grown 4-5 times. And when it comes to FDI, this is the example of Cambodia. In 2000, foreign investment was very limited. But in the last 20 years, it increased 30-fold. So, it is very important to understand the logistics. So, the quality of the logistics has been touched upon. But the customs and also smooth custom clearance procedures, these are all very important. So, how did we, JICA, contribute to this? This is the example of year 2008. Number one is correct the disparities among the countries in the regions. Laos, Cambodia, and Myanmar, these are the sort of the delayed countries. So, we really have to fill the gap between the other countries.

And the second one is to promote regional integration. And the third one is to achieve a smooth connectivity. So, these are the things that we proposed. For connectivity, there are three key points. Number one is the physical transportation facilities. The second one is the connectivity such as customs and others. And the third one is people-to-people. So, these three connectivities are very important and also essential. So, we are here today together in this room, but it is very important to increase the connectivity between people. So, this is about the Southern Economic Corridor. From Ho Chi Minh to Cambodia, to Thailand, the connectivity has been enhanced. And Cambodia was particular in the delayed status when it comes to transportation. Can you see the difference? If you go back once – ferries in the Mekong River, but now this is connected like this. So, this is the situation of 2025. From Ho Chi Minh to Phnom Penh, there are about 240 kilometers with Japanese Shinkansen. It is only one hour so. But in 2001, it took 12 hours by car. So, with the road and bridge

constructions, now in 2015, you can reach there within six hours. Please look at the blue portion. The yellow portion is the road improvement in Cambodia. And thanks to this that the commuting time has become significantly shorter.

Please look at the blue area. The blue area is the custom clearance procedure between Vietnam and Cambodia. And there is no improvement in the border custom clearance. Therefore, Japan, JICA, initiated the project to improve logistics in Cambodia. This is about the border. Custom clearance procedures started in 2019. And we ran the pilot project. And the capacity increased from 50 cars and trucks per hour to 80 per car. And with the simplification of the procedure, now you can shorten the time. And these are the achievements. Now moving on to East Africa. East Africa – Kenya, Tanzania, Rwanda – 7 different countries are in eastern Africa, but the population is almost twice. And the economic size is almost 1.3 times. So, 1000 meter is the unit of the maps, so you compare the two regions. Please look at the landlocked countries. Rwanda is a landlocked country. And there are two international routes for ports. But both of them are 1,500 kilometers. And it's all land transportation. And Rwanda is far away from the port, therefore the cost of imports and exports, almost 40% of that is logistical cost. For Kenya, a coastal country, the share of the logistics is only 12%. So, landlocked countries have this significant disadvantage.

So, through TICAD and other initiatives, we try to improve the corridor for those countries. And this is one example of Lusmo. This is the border bridge. This bridge was constructed during the colonial time, and it is very narrow and old. And it was made into a wider bridge so that several lanes were available. And also, border custom clearance became much simpler. And also, we made the very major road. O.S.B.P. is written here, which means one-stop border post. So just one stop is efficient to clear the customs. So, with this, this is about the cargo. When the truck goes through the border, it used to take 8 hours. But now it's two hours and 20 minutes. So, this much simplification was done. This is the logistics performance index of Rwanda. It was ranked as the worst three on the list, but now it has gradually improved and is much higher than the average of African countries, the 57th. The Türkiye is 3.15, but it is almost the same as Türkiye. So, even a landlord country can be at this level with the improvement of inland corridors.

So, lastly, this is the message that I really want to convey. The common consensus and strong commitment by all countries involved is paramount to improving logistics and strengthening connectivity. The people who are here should be really aware of the challenges and issues, and then have to improve the situation. Second, it is essential that the development of transportation infrastructure, customs procedure, legal regulations and human resource development be implemented in a harmonious way. And finally, JICA would like to work to strengthen connectivity in Central Asia and also Caucasus. Thank you very much.

Mr. Ichiba: Thank you very much. We would like to hear from the Ministry of Finance, Ms. Sasaki Asuka, Senior Deputy Director, International Cooperation Division, Custom & Tariff Bureau.

Ms. Sasaki Asuka, Senior Deputy Director, International Cooperation Division, Custom & Tariff Bureau, Ministry of Finance of Japan: Thank you very much for the introduction. My name is Sasaki. I am from the Custom & Tariff Bureau of the Ministry of Finance. Thank you very much for giving me this opportunity. So, today I'd like to share with you the international cooperation related to the customs tariffs area. So, all in all, Japan is an island country. So, the countries are landlocked countries. So, of course, the assumptions could be quite dramatically different from Japan. But it is true that the role that the customs bureau would bear, and also the issues, I do believe those are common with your countries. And the WCO, we do have the international organization, the World Customs Organization. We are all members of this organization addressing similar issues. So, I'd like to share with you the current international cooperation and where Japan's stands. And that would be a food for thought for your future endeavors.

So, I would like to share with you the scheme of the international cooperation. So, in terms of the significance of international cooperation, these are some of the trends related to international cooperation relative to the customs. So, in the central part, the bubbles, we have a number of international initiatives listed here – FTA, EPA, of course, we have those. And at WTO, there is a trade facilitation agreement that has just been concluded. And also, we have CMAA in the middle, this relates to international commitments among customs authorities to provide mutual assistance in preventing the smuggling of illicit goods and border control of IP goods and so forth. So, CMAA has been concluded. So, those are some of the trends related to international cooperation. And we also have a digitalization. This is, of course, not just for customs, but that is a very important trend – AI and also the usage of cutting-edge technology.

Also, some of the disaster prevention for infectious disease preventive measures. These are definitely the trends that we would all have to address. So, definitely, we bear a very important role within logistics. Both the exporters and importers, we do need a close collaboration. So, as I have just mentioned, based on these international trends, we definitely see more of a diversification and advancement of logistics. So, in terms of digitalization and also infectious disease prevention, we do believe we need to interact more with the private sector. So, in the customs area, I'd like to specifically talk about what would be some of the measures. So, I do believe there are three roles fulfilled by customs, which is the trade facilitation, safe and secure society, and also, appropriate collection of custom duties. These are the three major roles of customs. And I do believe this is common across the board in the world. So, in order to realize that I do believe there are two elements that are necessary.

First is we need to have a custom clearance system in accordance with international standards, which is on the left hand-side. And also, on the right hand-side, we need the appropriate and correct knowledge and operational capabilities of the staff involved. So, in order to assist in this, we would like to collaborate within this framework of international cooperation. So, going forward, I'd like to share with you some of the concrete details related to the support schemes. We have, roughly speaking, two formats. On the left hand-side, these certain activities in Japan. And on the right hand-side, these are the activities abroad, workshops and so forth. So, we have some events held in Japan and also abroad. So, there are three schemes. The first is ODA, which is specifically assisted by the Government of Japan. And in the middle, this is the capacity building activity through WCO, for instance, through funds and also HR. So, this is the contribution to your WCO. and the third is the JICA scheme. So, roughly speaking, there are three schemes related to this.

Here's an example of the workshop in Japan. So, these are the concrete examples. It really depends on the scheme, but the duration is normally one to two weeks. And the number of participants was about 10 to 15 officials from abroad. So, we would convene them, or we would invite them to provide them with different workshops on different subjects, and there would be venues visits and so forth to enhance their knowledge and conduct training. So, in the customs area, it relates to how appropriately and how effectively can we conduct the customs clearance. So, just, this is the product category that is common across the board in the world. So, how can we manage this HS as a category classification for instance? It's the workshop in Japan for Central Asia and Caucasus between 2019 to 2021. So, as you can tell, there's been 9 instances of workshops, and 23 customs officials have visited Japan. So, what's shown here is the online workshop that was conducted. So, using the JICA scheme, we have introduced, or we have held this workshop through an online basis.

Next is the case where we would conduct these activities abroad. So, between the years of 2015 to 2018, we have conducted 4 workshops. And we dispatched six of our Japan customs officials. On the left hand-side, for instance, is the WCO sub-regional workshop. So, it is not bilateral, but it's rather on an area basis we have dispatched our customs officials as experts. Also, we have a bilateral technical cooperation on customs laboratories. So, there are some cases where we may conduct this under a bilateral framework. Next, it relates to the joint project between WCO and JICA, and how we, as customs, are contributing to it. So, by conducting this jointly with WCO and JICA, we can leverage on the experts and specialty of WCO, and also, the guides that is complying with international standards, those could be leveraged. And also, on top of that, we can leverage on the expertise and the insights of JICA. Those are the benefits of this joint project.

So likewise, we are dispatching other customs officials abroad. So, in terms of the concrete projects, since 2007 onwards, those have been underway. On OSBP, I think there was an explanation from JICA. One-stop border post has been provided towards Africa. So, MTP is a master trainer program.

That is another one. So, again, this is a catered towards African countries and also island countries. So, those are still ongoing as we speak. So, I'd like to give you more details on these one-stop border posts first, OSBP. There has been an explanation already. So, at the border, if you were to pass through the border crossing, these are some of the procedures. The clearance procedure as a whole will be conducted at one facility. So, both to import and export customs clearance could be conducted under one instance. So, we have also dispatched the customs officials from Japan. So, between country A and country B, the customs officials from both countries would have the same level of capability and knowledge. And we have contributed enhancing the general level of expertise amongst the customs officials of those two countries.

Next is a program called MTP, Master Trainer Program. As you can read here, we have a countries A, B, and C. So, the customs officials, the representatives, they would actually act as mentors or masters. So, they would be receiving a training for two to three years or so, to become the master trainer. So, after three years and after passing the test and being qualified to become the master trainer, they can engage in work. So, Country A or Country B, for instance, they can engage in training of the custom officials. Also, they can engage the private sector to provide various trainings. So, that is the nature of this MTP. So, to become the master trainer, we have assisted in producing the materials for the training of these master trainers ready in Africa. We have established 150 master trainers and have been nurtured them already. Through these master trainers, we have conducted various training. And more than 43,000 people, or officials, have been trained through these master trainers. So, it has been very efficient and very effective and highly evaluated within WCO.

This is another example of MTP, Master Trainer Program, just for your reference, this is the flow chart. So, in the course of three years or so, they would reach the final phase and become the master trainer. So, this is just for your reference. Again, this is just for your reference. Last year, the number of workshops that were held was in Japan, these are the numbers. That is all from my end. So, in the customs area, the idea is how we can promote this international standard. And, of course, we would need to incorporate more of a digitalization, that would lead to expediting the custom clearance process. So, it would not suffice just to engage domestically only, we would need to definitely engage others outside of the country. That is all from my end. Thank you very much.

Mr. Ichiba: Thank you very much. Now moving on, this is about what they are working on in Central Asia and also Eurasian transportation. So, I would like to invite Mr. Ozeki from Nissin.

Mr. Ozeki Makoto, Deputy General Manager, NVOCC Department, Nissin Corporation (Deputy Secretary General of Coordination Council on Trans Eurasian Transportation): Thank you very much for your introduction. I am from Nissin Corporation. I'll be speaking on the topics of logistics in

Central Asia and Caucasus. I hope my presentation will be useful for you. This is a table of contents of today's presentation. So, since time has been limited, I'd like to go into number 2, and also, number 3, about the logistic cost from Japan, Central Asia and Caucasus. So, I would like to highlight these two points. So, I will skip my railroad businesses.

So, now, let me talk about why the Caspian Sea route is attracting so much attention. In March 2021, a stranding accident occurred in the Suez Canal. And cargoes bound for Europe, which until then had been transported exclusively by sea, suddenly flew onto the Siberian Land bridge right here. And last year, 2022, February 24, Russia invaded into Ukraine, and a number of companies began to refrain from actively using the Trans-Siberian Railway. And as of now, transit transport to Europe on the Trans-Siberian Railway is not really functioning. In another words, the situation has reverted to the old situation where the only route to Europe is a sea route via the Suez Canal. So, the ocean route through the Suez Canal, this is the only route that we are using at this moment. The Caspian Sea route is now attracting attention as a more environmentally friendly route that bypasses Belarus and Russia, and it should be used effectively as a BCP response to the vulnerability of the Suez Canal. Now, going from Japan, going through the Chinese ports and the Caspian Sea, Caucasus, and also, Black Sea or Türkiye, then, going into the European continent, so that is the current route.

And as I said, there are several issues need to be solved when it comes to the Caspian Sea. I hope that the customers can use it with peace of mind, as soon as possible, through cooperation between the public and private sectors in each country. In the past, the transportation routes were selected based on the freight cost, and secondly transit time, the number of days in transit. So, these two were the major criteria for selecting transportation routes. But now, as you see on the slide, the number three, companies are required to give special attention to the environment. Using railroad more frequently can be friendly to the environment. And also, you always have to have a backup plan in case of an accident. The Caspian Sea route number 3 and number 4, the Caspian Sea route meets the criteria of number 3 and 4. Now, moving on to the logistic cost from Japan to Central Asia to Caucasus. You have to go through three different countries. So, I talked about the transit logistics, but now between Japan and Central Asia and Caucasus, we have to think of bilateral transportation.

This shows the logistics cost between Japan to Central Asia and Caucasus. The leftmost blue area is the freight weight for a 40-foot container to Hamburg, Germany, and the graph shows the ratio with this rate set at one. The red figures are for the capitals or major cities of each of the five Central Asian countries and the transportation route is the China Land Bridge. Yellow figures are for the capitals of three Caucasus countries, Baku and others. And the transportation route is by land trucking from the Georgian Poti port on the Black Sea. If you see this, Hamburg is 1, and now Almaty is 33.6 times, which means that for the 40-foot container from Almaty, Kazakhstan you can carry 4 40TB containers to Hamburg. If you want to send it to Bishkek, Kyrgyzstan 5, and 7 to

Ashgabat, Turkmenistan. So, the Central Asia really cost much more than others. So, for logistics companies, it is not really a normal situation.

Connecting Europe and Asia, Central Asia is the center of the Eurasian continent, and Central Asia has a geopolitical advantage. But when it comes to the logistical connection from Japan bilaterally, this is exactly the opposite of this situation. Everyone is aware that this logistic situation is extremely high cost in Central Asia. I hope that everyone could be aware of this situation. I don't think that you can halve the price right away. But each country's government, railroad companies, and shipping companies should be aware of the situation and by lobbying at the governmental level or at these company levels, hopefully the logistics between Japan and Central Asia and Caucasus will improve in the future. That's it. Thank you very much.

Mr. Ichiba: Thank you very much. Thank you to all the panelists. We would now like to move on to the Q&A session. So, from my end, I'd like to pose a couple of questions to the panelists from Central Asia and Caucasus. We're really running out of time, so if you would like to keep your answer short, that would be highly appreciated. So, first of all, I'd like to ask Mr. Adepbayev from Kazakhstan – you mentioned that you have the target to become the hub for transit, and you have shared with us a number of topics within your presentation. So, for instance, for the digitalization of customs, the software-related initiatives would also be important. So, Tajikistan mentioned about the bilateral treaty to be concluded with Kazakhstan. That was the point mentioned from Tajikistan. So, from Kazakhstan's basis, do you believe it is possible to have such a bilateral agreement?

Mr. Adepbayev: Thank you very much for that question. That is a very good question by the way. The answer is yes, because, Kazakhstan, we are definitely looking towards that direction. And we do have the roadmap. And I have also alluded to that within my presentation. So, within the roadmap, we do have a line item under the customs clearance. So, under the Ministry of Industry, we are engaging in various practical meetings and also various committees. So, under these, we have been addressing this issue. In fact, just last year, in December, the transport logistics concept has been approved, at the end of last year. And customs clearance was one of the items approved. Now, for the point related to digitalization, Kazakhstan, we are very much keen on promoting this version. Thank you very much for that question.

Mr. Ichiba: Thank you very much. For Kazakhstan and also for us, it is a very good process. Now, I'd like to ask Mr. Kurmanbekov of Kyrgyz. In your presentation, Kyrgyz is a landlocked country, so to go to the ocean, you really have to go through the Kazakhstan and other neighboring countries, so you really have to have improved the logistics. So, for Kazakhstan and other neighboring countries, what type of the logistics facilitation improvement are you expecting?

Mr. Kurmanbekov: Thank you for your question. Well, in reality I mentioned this in my presentation. But Kyrgyzstan is a landlocked country, so there is no outlet for the ocean. However, we export goods not just for the neighboring countries, but also far away countries across the sea. So, when it comes to the cargo, I don't see much of a problem. You mentioned about Kazakhstan, and in the administrative level, Kyrgyzstan, and also, Kazakhstan, the cargo between the two countries, sometimes, they have a problem of a long waiting time. We have to solve this problem. And also, our logistic companies, when you go through Turkmenistan, you have to get the visa. And that visa is only a one-time visa. And Kyrgyzstan really has to work with Turkmenistan to solve the problems about the visa. And we concluded the understanding, so that it can be valid for the one year. That was last year's October or November, but Kyrgyzstan with Uzbekistan, we had concluded the understanding. The name of that – Let me check – Leasing Ferry Iran Kyrgyzstan Negotiation. And also, Iranian logistic companies, we made arrangements to use a ferry. So, that's it from me. Thank you very much.

Mr. Ichiba: Thank you very much. The next question Mr. Mirzoev from Tajikistan. So, in the presentation, you mentioned that you have an agreement on the electronic declaration with Uzbekistan and others. So, what do you identify as issues for the introduction of such an electronic declaration system?

Mr. Mirzoev: So, the electronic declaration, as you rightly mentioned, we were able to successfully conclude it. So, we are in the process to conclude that with Kazakhstan as well. We do intend to conclude a similar agreement with other countries. So, as far as the conclusion with Uzbekistan, right now, we do not foresee any specific issues. Tajikistan and Uzbekistan, we're closely working with one another for the introduction of an electronic declaration system. Of course, there could be some technical issues. Perhaps additional infrastructure is required. So, aside from those, we do not foresee any significant issues in the introduction.

Mr. Ichiba: Thank you very much. Now let me ask Mr. Khashimov from Uzbekistan please. For the Caspian Sea route, there are two routes – through Kazakhstan, and also, the other one is Turkmenistan. So, what type of challenges do you have for both routes?

Mr. Khashimov: Thank you very much. We have two different routes. Kazakhstan and Turkmenistan, both of them are very flexible. And Uzbekistan has been engaged in a trade in this manner. And the trading amount is \$4.5 billion. And so, answering your question, railroad cost should be lowered. Export cargo transportation, especially the railroad cost, should be reduced. So, Japan and Uzbekistan have an agreement. And transit cost should be also reduced. And currently, we are studying the way to reduce it. For Central Asia, Caucasus, and Türkiye, last year, there was agreement was made, a tariff. The three governments will take incentives for the tariffs. And for digitalization, about

10 years ago, the Japanese government provided us two large scanners. And between Uzbekistan and Afghanistan, the volume of transportation increased up to 3,000,000 tons. And in the last 10 years, we've been using it very usefully. So, I would like to thank the Japanese people.

As the MOFA official said, for MOFA, and also, JICA, I have a request to make, through different projects, Central Asian logistics to be improved. Navoi Airport, that is the priority for us. It has a great potential. And from there, going through the outlet, going through the land transportation route, going to Asia. And we really have to improve the skills of the officials of logistics, and also, improve the capability of the customs officers. Thank you.

Mr. Ichiba: Now moving on to Georgia, Dr. Danelia. So, in your presentation, you mentioned about the changes in the geopolitical situation and also you mentioned about the practical aspects of that. So, I'd like to ask you a question about the practical aspects of this. From Japan to the Caspian Sea, we have to go through Poti port, and also, hub ports in Türkiye, and sometimes the feeder lines are very inconvenient. So, would you share with us the expanding shipping service from Poti port?

Dr. Danelia: Well, first of all, thank you very much for the question. This is a very important question because as already mentioned within my presentation, the Black Sea and the Poti port, itself, are acting as the main gateway for the Caucasus and Central Asian landlocked countries. Right now, under the current circumstances, we are having the regular flows. When I'm using, we, it means that we, as Maersk, but at the same time the whole industry, including the rest of the global shipping lines, which are widely presented in Georgia, in the Black Sea, in each country, including Bulgaria, Romania, Georgia and Türkiye. When it comes to the services, there is there are regular services from Poti to Ambarlı, Istanbul port. I can easily say that year to year the volume is increasing. And the capacity in a parallel way is increasing from 15 to 22%, which is an absolutely great number, if I may say like that. A part from that, it is already mentioned, we already launched the direct service from Poti to Constanța. Mainly, this direct service, which takes only up to two days as a transit time, is dedicated for the flows coming from China, from Kazakhstan, from the rest of the eastern countries, through Azerbaijan and Georgia, to Europe, and vice versa. This direct service to Constanța is already in the interest of the Japanese companies. Within the pipeline, what we are managing from our perspective, and from the customers, we are managing within our services in Japan. So apart from it, as already mentioned, we will officially launch the direct service from Poti to a Ukrainian new port; it's called Reni. The transit time will be up to two days again. And through Rene, we will connect Ukraine through the hinterland solutions by rail combined services. So, on the Black Sea, I can definitely say that the connectivity on the ocean part is not an issue. For sure, when it comes to the new flows through the corridor, it's always a matter of discussion if the capacity needs to be increased, if the capacity needs to be widened. And we, at Maersk, are more than ready to consider any kind of offers and or solution on that part. Thank you very much.

Mr. Ichiba: Thank you very much. I would like to ask Mr. Devadze from Georgia, you mentioned about an expansion of the connectivity through the rail between Georgia and Türkiye, so what are some of the issues you may foresee for further expansion of connectivity?

Mr. Devadze: Thank you very much for the interesting question. Indeed, the BTK has changed again in the connectivity in the region, as before it was connected through roads only. So, we were connected to Türkiye by roads. But from 2017, it is now available to transport cargo with an environmentally friendly transportation mode, which is also very important currently, not only from the government side, but also this is the direction that attention is paid by the private players as well. In the future, we foresee considerable growth in the cargo between Central Asia, and the Far East, and Türkiye, and Europe. And you mentioned what might be the challenges. Well, the thing is we need to complete construction, because it is still under construction currently. And the transportation is in the test mode, so we need to complete the construction of the BTK line fully, that would enable design capacity to be utilized at 5,000,000 tonnes per year. So, this will enable and increase the capacity for intra-regional trade as well. And in addition to that, we need the digitalization of the corridor and not only BTK, it is one of the routes, but we need to digitalize the transportation corridor through Azerbaijan, Georgia, Kazakhstan, and other Central Asian countries as well. That would enable track and tracing system, that was also mentioned today, and increase transparency and accessibility from private companies to the services that is provided by operators in the corridor as a whole. Thank you very much.

Mr. Ichiba: Thank you very much. This concludes Panel Discussion 1. Well, thank you very much for your participation, all the panelists. OK. We take a break, and at 4:50, we will have another panel discussion.

3. Panel Discussion 2

MC: We are starting Panel Discussion 2 now. Please take your seat.

Mr. Ichiba: Now, let's begin Panel Discussion 2: Digitalization in trade and customs. Please start your presentation after we call upon your name, same as the Panel Discussion 1. For the smooth proceeding of the panel discussion, please make sure that you keep to your time. In this session, we will be hearing from the experts from Azerbaijan and also Turkmenistan about their digitalization activities, followed by the Nippon Telegraph and Telephone Corporation sharing their demonstration initiatives. And also, the World Customs Organization will be discussing about the digitalization in this region. And the last speaker is from NX Logistic Research Institute and Consulting about the digitalization. So, first of all, from Azerbaijan, the Head of Transport Policy Department, Ministry of Digital Development and Transport, Mr. Aliyev, please.

Mr. Fariz Aliyev, Head of Transport Policy Department, Ministry of Digital Development and Transport, Azerbaijan: Thank you very much, Mr. Ichiba. Dear ladies and gentlemen, first of all, on behalf of the Republic of Azerbaijan, I'd like to extend our sincere greetings and express our gratitude for the organization of such an important event and inviting all of us to participate in this. We firmly believe that on the background of complex geopolitical tensions in the world, multinational cooperation platforms like this will help our countries to uncover new opportunities in the field of international trade and logistics. What we have in hand is called Trans-Caspian International Corridor. I think the speakers which talked before me, they have mentioned important technical aspects of the corridor, so I will not go to the details. I'll just give a different approach to the corridor itself.

The Trans-Caspian International Corridor is considered to be the shortcut between Asia and Europe, having 6500 kilometers, and offering 14 days of transport transit time, and bypassing Russia and Iran, which are considered to be relatively insecure countries due to the current political situation. So, what we are offering actually is safety, operational efficiency and competitiveness. But these are the economic aspects of the issue. Apart from the economic interests, I think the Middle Corridor is built on mutual support and cooperation. So, the Middle Corridor is not only a transit corridor, but also a platform of friendship, brotherhood and solidarity. Since we realised the importance of the corridor, we should first look at the efforts each country has realized for the facilitation of the processes through the corridor.

On behalf of my country, I should say that Azerbaijan puts huge emphasis on this project, and this is merely reflected in the initiatives and numbers we have accomplished. With the leadership of our President, His Excellency Ilham Aliyev, great efforts have been dedicated to the progress at bilateral and multilateral levels. Huge infrastructure projects have been realized. The national shipping lines of Azerbaijan, called ASCO, owns the largest maritime fleet in the Caspian Sea with 54 ships, 13 ferries, two Ro-Ro ships, and two Ro-Pax ships. We recently we have invested more than 1 billion to the Baku-Tbilisi-Kars project, which is expected to bring huge support to the corridor with the capacity of 7,000,000 tons per year. We have launched the second phase of Baku seaport expansion. And also, we're considering the Baku-Zangezur corridor, which also will be the part of the corridor in the future. Recently, we have built 2 airports in Fuzuli and Zangilan, in the territories which got liberated from the invasion. And there is one more airport which being considered to be rebuilt.

So, thanks to these efforts, I would say in 2022, we have had a 63% increase in transit volume and reached to the volume of about 7.5 million tons. It could be 15. And with infrastructure upgrades, it will become 25 million tons. But in comparison with the entire volume, it's nothing. I would say if I'm not mistaken, the trade turnover between Japan and the European Union is about €60 billion per year. So, in this prospect, I think we have still have lots of things to do. We are expanding our

relationships with the European Union in order to establish strong political relationships there based on mutual trust and support. This year in Davos, our President has announced that we will double the natural gas exports to European Union. Also, there is a Black Sea underwater electric cable project, which is about to be inaugurated, to carry Azerbaijani-made wind and solar power to European Union. So, geographical location got extra support from favorable relationships we have got with both Asia and Europe. But that's not the end of the story. Still, a lot to go.

So here we should see the expansion of the transit capacity, but this transit capacity cannot be achieved by only one country. So, if Azerbaijan achieves a transit capacity of 25 million tons in Baku, seaport, for example, and Türkmenbaşy can only offer 15, it means our capacity is still 15. The same goes for the transit time. If, in Baku, we handle it for 20 hours, but, in Aktau, it's 10 hours. It means we are still lagging behind of our commitment. So, there is a very important Japanese saying here, I think, *chōwa*, which says harmony if I'm not wrong. Harmony is very important to achieve throughout the corridor to make sure that we are all on the same page.

And another important issue related to the Middle Corridor, of course, is the digitalization of the corridor. It's like simplification of the process. It entails simplification of border crossing procedures, implementing a single electronic transit customs document along the Middle Corridor, introducing and adapting the application of international mechanisms of transit facilitation such as eTIR, eCMR, eSMGS, et cetera. But all of this requires a common digital platform to ensure reliable and secure information exchange. And here comes the challenge how to find a common ground to serve the priorities and expectations of all stakeholders. So, there are further issues here like product ownership, transfers of risks, unification of standards, etc. And in this direction, also, we are making some multilateral efforts to facilitate the process. Today, we have a global symposium in Baku with the participation of WCO Secretary General, Mr. Kunio Mikuriya, I think.

As we see Japan is somehow becoming a leading facilitator in the process. And at the same time, we have received recommendations from the UN Economic Council, where they drafted document for intelligent transport systems, which includes eTIR, eCMR, eSMGS, et cetera. So, as for our side, we have adopted the legal framework for application of eCMR and several agreements with other partners to apply the same. But these actions are relatively fragmented. So, we should come up with a single unified platform which is equally accessible, reliable and useful, and informative for all the users. So, there are further issues like cyber security integration, centralized dispatching and operating system, single platform, ownership, international recognition, etc. So, there are couple of options available in the world, but we are still considering the options. I hope at today's symposium in Baku, they will come up with a solution towards this direction.

And at the end, answering to Mr. Kurosu's concerns of what the challenges are and what we are

thinking of to overcome those challenges, I think the major challenges we face are related to the modernization of the infrastructure, both in Baku sea port and our railway system, and offering digitalization solutions, and investing in affairs, namely Alat Free Economic Zone, which offers favorable conditions for all the international investments.

So, I would like to finish my speech with this statement. We are welcome all the Japanese investors to consider all these three directions to cooperate with the Azerbaijani government for future facilitation of the Middle Corridor. Thank you very much.

Mr. Ichiba: Thank you very much. From Turkmenistan, Mr. Kakamuradow, Head of Department of Customs Statistics, State Customs Service.

Mr. Yklym Kakamuradow, Head of Department of Customs Statistics, State Customs Service, Turkmenistan: Good afternoon, everyone. Good afternoon to all the participants. On behalf of the Custom Service of Turkmenistan, I would like to extend my greetings. So, in terms of digitalization, it is definitely a priority in order for us to address the systemic issue of the country. So, at the national level, we do have a number of concepts being adopted. First of all, up until 2025, the digital economy development concept, and also, from 2021 to 2025, the five-year digital economy development program. Those are the two that have been adopted across different sectors and also different operations. This is a road map for technological transformation. So, the customs service in Turkmenistan, likewise with other sectors, we are actively promoting digital transformation. For instance, from 2020 onwards, in the Turkmenistan Customs Service, in line with the international standard and best practices, we have introduced an automated data processing system ASYCUDA World. With this system, the objective, is to provide advantageous conditions to the trade society to promote export and to enhance the transit potential for Turkmenistan.

And by enhancing the evaluation, we would like to support the integrated initiative with state regional infrastructure. So, TIR Carnet has been leveraged. And in the Customs Convention on the International Transport of Goods Undercover, the State Customs Service of Turkmenistan's cooperation with the IRU has introduced the TIR-EPD system, which provides online preliminary information on goods and vehicles that are sent to Turkmenistan and transited through the territory of our country. So, in terms of the digitalization of customs service, we have introduced a single-window software at the road customs checkpoints of the state border. This has brought us a very significant contribution and achievement. For this single-window system development, the State Customs Service of Turkmenistan, together with the UN Conference on Trade and Development and the UN Development program, started the implementation of the single window for export import operation projects in Turkmenistan in 2021.

So, the customs service of Turkmenistan has been designated as the authorized body to coordinate

the work of the system. Now, Turkmenistan, in 2021, became a member of three international customs conventions. So, at the International Convention on the Simplification and Harmonization of Custom Procedures, which is seen as a revised Kyoto Convention, entered into force for Turkmenistan, and also, the laws on accession to the Customs Convention on Containers and on accession to the Convention of the Custom Regime applicable in containers transferred to the pool and used for international transportation. This is a concrete step of our country to create favorable conditions to ensure the efficient movement of goods across national borders. So, by using this, eTIR, connects customs conventions on the international transferable goods undercover of TIR channels, 1975 was the year that it was adopted. According to Annex 11, there are plans to connect an automated system for processing custom data to the international system eTIR, which will allow paperless and contactless operation to cross the customs border of Turkmenistan.

The State Customs Service has international agreements on exchange of preliminary custom data on goods and vehicles crossing the customs border with customs administration of neighboring countries. The exchange of preliminary custom data is very important for simplifying customs procedures. And accelerating the transportation of goods and vehicles across the customs border, as well as the developing transit corridors passing through our country. In order to develop transit corridors passing through the country, the State Customs Service conducts consistent work on further digitalization of custom procedures in order to increase the competitiveness of transit corridors and attract additional transit cargo flows. Measures are taken to further simplify the customs control mechanism and speed up customs clearance. The exchange of list of goods prohibited and restricted of movements across the customer border is carried out with the customs administrations of foreign countries.

Also, there is also an exchange of experience in modernizing customs administration, developing infrastructure at dry ports and transit paths for TIR. Now, this is to ensure that the route through Turkmenistan remains attractive and convenient for cargo transportation. Now, I'd like to move on to the next topic, which relates to development of transport systems in our country and measures aimed at forming new transport and communication networks. Today, under the leadership of President Serdar Berdimuhamedow, we are successfully implementing comprehensive national programs aimed at radical modernization of the material and technical basis of the transport industry, expansion of existing networks, and the creation of new transport and communication networks. All these measures are designed to promote the active integration of the national transport system into the international communication infrastructure, creation of large logistics centers, and given its favorable geographical location, to ensure regional coordination of multi-modal transport. All this meets the fundamental interests of all countries and peoples and serves the goals of common well-being, prosperity and progress.

The Government of Turkmenistan has made important progress, particularly in developing transit transport infrastructure such as road, rail and airport infrastructure, and promoting faster transit, including advances in sustainable energy, investment promotion and diversification. Turkmenistan has also initiated key resolutions on sustainable transport, the role of transport and transit corridors, ensuring international cooperation for sustainable development, the resolution 69/213 of December 19th, 2014, also, Resolution 70/197 of December 22nd 2015 toward full cooperation among all modes of transport for the development of sustainable multi-modal transit corridors, and also, resolution 72/212 of December 20th 2017 strengthening linkages among all modes of transport to achieve the sustainable development goals.

Turkmenistan also initiated Resolution 75/3/13, strengthening linkages among all modes of transport to ensure stable and reliable international transport for sustainable development during and after the pandemic of COVID-19, which was adopted in July 2021 and aims to intensify efforts to improve the sustainability of emergency transportation, including mobilizing sufficient financial resources to increase the resilience of transportation system to effectively respond to COVID-19. Also, for the initiatives of Turkmenistan, as of August of 2022, is the International Conference of Ministers of Transport of Landlocked Developing Countries, under the auspices of the United Nations, with delegations from 40 countries. The objective of this forum was to share knowledge, experience and innovative solutions for financing infrastructure in the post-pandemic period, ensuring sustainability and stability, identifying recommendations and opportunities for improving the maintenance of transport infrastructure in landlocked countries, expanding international support for transport and strengthening cooperation in this area.

During this forum, our president, Serdar Berdimuhamedow, made a comment and I would like to quote him. Turkmenistan is convinced the transport architecture of the 21st century is the architecture of an integration breakthrough, connecting spaces, regions, industrial resources, and human potential. The future is in a combined system of transport communication with access to major international and regional sea, river, road, rail and air hubs, their optimal combination and use of advantages of each of them. As you know, our country initiated the first global conference on sustainable transport, held in Ashgabat in November 2016. Turkmenistan also initiated the key UN General Assembly resolution on sustainable transport and the development of international cooperation and transport adopted in 2014, 2015, 2017 and 2021. I would like to emphasize that Turkmenistan is positively addressing issues related to the expansion of international cooperation and the formation of modern transport and logistic infrastructure. An example of such undertaking is a new international seaport in the city of Türkmenbaşy, which was commissioned in May 2018. It serves as a major international corridor in the region. Thanks to the high level of equipment of this facility, we have excellent conditions for multi-modal logistics deliveries of goods from Europe to the Middle East and the Indian Ocean countries. The port is located on an area of more than 146 hectares.

Its throughput capacity is 17 million tons of cargo a year. These are some of the features of the new international seaport. Thank you very much for your attention.

Mr. Ichiba: Thank you very much. Now moving on Mr. Yamazaki, Director, Enterprise Business Department, Business and Marketing Division, Nippon Telegraph and Telephone (NTT) West Corporation.

Mr. Yamazaki Kastunori, Director, Enterprise Business Department, Business and Marketing Division, Nippon Telegraph and Telephone (NTT) West Corporation: Thank you very much for giving me the opportunity to speak at the 12th Tokyo Dialogue. And I would like to talk about you. container terminal demonstration test. So, as you see in the title, this demonstration test is a consignment from the Ministry of Internal Affairs and Communication. This is port operation based on the local 5G. So, you have an English version. So, there is no mentioning about this, but there are three features of the local 5G. One is that the large volume of video and static images can be transmitted at high speed. The second is that the delay is minimal. And the third is that you can transport the data to various devices at the same time. So, simultaneous access and connection is possible. So, the field of the demonstration is Osaka Dream Island Container Terminal. In the Bay Area of Osaka City, there is a place called Yume Shima, a 390-hectare artificial island. And the 2025 Expo will be held on this island. And it is drawing much attention from the stakeholders.

Next, I'd like to talk about the overall alliance. Including NTT West, we have seven different members sharing the responsibilities. So, this is the outline of the demonstration. What is the background of this demonstration test? And there are some challenges. As for the background, the globalization of supply chains led to the importance of the port's operation. Along with that, at Yume Shima island, the large-scale containers started coming in for port visits. And cargo handling takes more time. And also, around the gate of the container terminals, the large trucks had suffered from congestion. And also, the people who are working in the port. The average age is becoming higher, and we don't see much of the younger generation working for the port operation. So, in this demonstration test, with the use of the local 5G, we try to solve the problems. I'd like to talk about it on the next page.

At the end of the slide, we have the demonstration test. And as for the Yume Shima container terminals, we have a lot of blockages. And also, the sea surface also creates a negative impact on communication. So, there are three main points. Number one is the quality improvement of the business networking container terminals. So, the wireless device and Wi-Fi device communication has to be replaced by local 5G, so that the network operation is going to be simplified and more efficient. And the local 5G can send the massive amount of data whereby terminals can take pictures and high-volume data can be transferred. And with the use of the data that the port operation can

receive the digital transformation. Number two is the real time transmission of the container planning data to streamline storage process operations. So, it has been done based on the paper. The instructions have to be sent by local 5G, so if there are any changes, then the user can receive the changes real time.

And it's done simultaneously, so you can reduce the number of papers used, and also, improve the safety of the operators. And also, the process of the operation can be streamlined. The last one is the trailer waiting area, alleviation of the congestion by visualizing it. So, for the trailers going into the container terminals, the number plates are taken as a photo. And local 5G can send the number plate information to the confirmation system. And with this, the AI can forecast the congestion situation. And the waiting time can be shortened. And also, the portal site can show the waiting time to the truck driver, so that it solicits the truck drivers to change their behaviors. And with this, the local 5G technology can be utilized to enhance the operation of the ports and the container yard. And we're doing it until the end of March, and will report to you, the result of this.

For the future, through the demonstration, we gain the knowledge of digital transformation of the port operation, improvement of the productivity, and also, the smart port operation. We are planning to accelerate the work towards that goal. So, that's it from us. Thank you very much for your attention.

Mr. Ichiba: Thank you very much. I would like to hear from the World Customs Organization, Mr. Yasui Tadashi, Head of External Relations from WCO and Mr. Fujimitsu Motohiro, Manager, WCO/JICA Joint Project, Capacity Building Directorate.

Mr. Yasui Tadashi, Head, External Relations, World Customs Organization: Thank you very much. So, my name is Yasui. I am from WCO, World Customs Organization. It is indeed an honor to be able to share the activities of WCO. Thank you very much for the opportunity. So, from my end, I'd like to introduce the overview of WCO, and also, share with you the concrete activities that we are doing in Central Asia and how it could be applied to the five countries in Central Asia and Caucasus.

So, first of all, the WCO, World Customs Organization, is an international organization, the only one specifically on customs, was established in 1952. Last year, we marked the 70th anniversary. This year is the 71st anniversary. The headquarters is in Brussels in Belgium. We have 185 members. Almost all the countries in the world are members, so it's pretty much equivalent to the members of the United Nations. So, the five countries and the Caucasus region, all of you are members of WCO. So, from that point it is indeed a very global organization. The Secretary General of WCO has introduced already, is a Japanese national, Dr. Kunio Mikuriya. So, he, as a Japanese national, heads the organization. The three core functions for WCO are, first the development of global standards.

So, for instance under the Kyoto Protocol, the HS goods classification, these are some of the global standards, and also, simplification of customs clearance, or standardized customs procedures. So, there was an example of the containers. So, indeed, we are involved in the development of such global standards.

Second is to promote the customs cooperation. So, that is cooperation, the inter-regional basis, and also, on the global basis. We like to promote various forms of corporation. That's the second objective. And the third function, every year, this has been gaining in its importance, that is capacity building activities. So, that is technical assistance to the developing countries. And it will be conducted on an integrated basis. So, vis-à-vis this one single, global standard, all the countries will be engaged in this addressing this in the same way. And by doing so, we can enhance the predictability and the transparency. So indeed, the importance of capacity building is certainly getting traction.

So, I'd like to specifically focus on the transit. So, we've heard about this customs transit a lot, so we'd like to share what exactly this custom transit is. So, hearing about the Central Asia and the Caucasus, this is the map of the region. So, the transportation along the corridor is mainly a series of custom transit by rail. So, for instance, from East Asia, once it goes through Kazakhstan all the way to Europe, you will not have to go through customs clearance in Kazakhstan. So, that is why it is called customs transit. So, once in Kazakhstan, the cargo enters. And for the bonded transport, when cargo from East Asia is transported from Kazakhstan, there's no need to pay customs. And what the content of the items is would need to be identified. And once the cargo leaves Kazakhstan, we would need to approve whether the cargo entering the territory for bonded carriage is the same as it exits. So, that is the definition for the customs transit.

This is the development of the rail custom transit procedure. So, on the top is the typical example. So, from Country A, we would need the rail transit procedures. So, we will this will be submitted in paper format. So, after going through inspection and confirmation, and it is approved, then the railway will start. Now, at the border of Country B, at the station, there's also custom officials to make sure that there has been no change in the cargo content. So, of course, it is in a paper format in terms of the declaration. So, that would be used for confirmation. So, now, the train leaves for Country B. So, at the station, there's also the customs official. And also, there would be another operator to submit the declaration form to the customs. And that would go all the way to Country C. So, this is the traditional transit procedure. Now, moving on to the second row of this slide. This is when the transit declaration is digitalized what will become of it. And also, at the same time, the custom system would be inter-operable. Basically, the interoperability is ensured. At the time of departure from Country A, on electronic basis, an E transit declaration would be submitted. And that information would be shared with the customs officials to the officials at Border B, prior to the arrival of the trains. So, prior to the arrival of the trains, the Customs official can engage in the

inspection. So, we could do risk management, and if there are nothing suspicious, then the train could actually pass through. And this would definitely expedite the whole procedure. So, today, there's been, a number of times mentioned, about the electronic, digitalized transit declaration. I believe that has been realized in a number of countries already. So, in the very bottom of the flow here is the further facilitation of this. It's called one-stop service. On the bottom left, so, at Country B, we can tell we have two officials wearing the uniforms. So, Country A and Country B, at the same time, at the same venue jointly, they can engage in the inspection to extend the one-stop service. So, the rolling stock would not need to stop when they leave Country A. So, this would further facilitate the process. These are more details, but because of the time constraint I am going to skip this.

First of all, I would like to explain about how or what we are doing to work on this acceleration of the railroad. And we held the WCO Global Rail Workshop in 2020, so I would like to give you the result of that. There are two camps. One is OSJD, mainly eastern Europe. And OTIF is mainly western Europe. So, in the case of OSJD, they are using SMGS. And OTIF use CIM for railroad cargo. The purple area is SMGS. And the green is the CIM area. The yellow area can accept both of them. So, WCO is working on the OTIF and OSJD. We have cooperative MOU. Turkmenistan mentioned about the revised Kyoto convention. And this is the WCO Revised Kyoto Protocol and Transportation Declaration. As long as it fills the requirement of the customs, it can be treated as a bonded transport declaration. So, that they don't have to submit another declaration. And for the Middle Corridor Caspian Sea route, they receive CIM or SMGS.

This is about the transportation certificate CIT; the International Rail Transport Committee is the committee overseeing the railroad transportation. And they have an integrated format for the CIM and SMGS. And the electronic version is called the eCIM/SMGS, which was already created in 2019, but as of summer, last year, there was no pilot test conducted. The people who have been using the CIM use XML. And OSJD, the SMGS people use EDIFACT. So, they need to have a converter to exchange information. eCIM/SMGS, how long does it take? According to the CIT presentation, it takes 40 minutes per wagon. So, 8 to 10 hours per train. So, at WCO, based on these studies last summer, we produced the WCO railway guidance, the Electronic Custom Transit Declaration, and also, the training for the customs officers who are specified in these guidelines. Other than WCO, there are some developments. So, OTIF, OSJD, CIT, and also TRACECA have been repeatedly mentioned by the participants. Awaza Summary Statement of Ministry of Transport Conference for Landlocked Developing Countries, UNOHRLLS. This is the office of the High Representative of the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States, and every year, they hold the ministerial meetings, and the ICT connectivity is crucial for the transport and the transit system of the LLDCs.

And next at the Turkic Council, the Samarkand declaration, which was produced in November 2022,

they said prioritizing increasing investment for ensuring intra-regional connectivity with well-developed and interconnected hard and soft transport infrastructure projects. And the Azerbaijan representative mentioned about this. At Baku, the Customs Heads Meeting on Project for simplifying transit customs procedure along the Trans-Caspian International “East-West” Middle Corridor using “Single Window” principle is being held. And the head of the Regional custom offices are there. And our head, Mikuriya is also present, so I think it is very timely. This is WCO capacity building and technical assistance operations, WCO/JICA Joint Project. I am a manager of the WCO. We are implementing this project in Africa, and also, the Pacific Islands. Sasaki-san of MOFA has also mentioned about the master trainer program, and also, risk management analysis, and transit information should be well studied by the officers. And that type of trainings are provided. And one-stop border posts are being done with JICA.

And Sida, the Swedish entity, also invested into this trade facilitation and custom modernization program. And this is for Africa, the interoperability of customs ID systems, single windows, are also worked in this program. So, WCO is involved in the many different programs. Lastly, this is the mission of the WCO: Borders divide, Customs connects. That’s it. Thank you so much.

Mr. Ichiba: Next, we’d like to hear about the benefits of digitalization from Japanese companies. So, I’d like to call upon Mr. Yamaguchi Osamu, Senior Consultant, NX Logistics Research Institute and Consulting.

Mr. Yamaguchi Osamu, Senior Consultant, Research & Consulting Unit 3, NX Logistics Research Institute and Consulting, Inc: Thank you very much for the introduction. My name is Yamaguchi. I am from NX Logistics Research. I do not have any slides, so I’d like to verbally present to you. So, NX Research Institute. So, a Nippon Express subsidiary. It was a research institute as part of Nippon Express. Normally, as part of NX group and the middle corridor, which has been repeatedly mentioned today – so, these sorts of new routes – we are engaging in research of these new routes. That is the nature of our business. But I know we’re running out of time, so for just a couple of minutes I’d like to comment on our activities. So, first of all, from Japan to Europe, by using the Middle Corridor to transport the containers, if you were to consider that we, as the forwarder, as the representative from Nissin mentioned the fact that we have to do multiple border crossings, under a bonded status.

So, they will be transited on a bonded basis. So, it would go through the Caspian Sea. There would be a marine transportation, and may, actually, goes through rail, for instance, so the gauge of the train may be different from Georgia and Türkiye. The gauge may be different also from China and Kazakhstan. Because of the rail gauge, a transshipment needs to be conducted. So, the cargo needs to be changed. In terms of transshipment, what sort of quality – what sort of infrastructure is

available? Those are some of the major concerns for the shipping companies. Also, in terms of the procedures, as mentioned already, SMGS and CIM, these are the two different types of forms that have been used for customs transit. So, how smoothly we'll be able to clear this – that is the point we need to consider. For instance, with user digitalization, how much time can we shorten? These are definitely one of the major concerns that we have as the operator.

Especially for international rail, if we were to smoothly operate this to conduct trade, digitalization only may not suffice. In fact, we need to have international collaboration in terms of the information that may be necessary. As mentioned already, at Country A, which is the departure country, at what time is the rail departing? And at what time would it actually arrive at the station at the border? This sort of information needs to be shared, and also, some of the information related to the cargo. So, by having this information at this specific station at the border, they can actually prepare for the next procedure. And by conducting this preparation, it would enable smooth transshipment as well as the various procedures that follow. So, these sort of linkages in terms of information are just as important as digitalization. Also, another point, we do perceive this as an issue. So, CIM and SMGS, these are a different mechanism for the customs transit. So, in terms of the scope of the guarantee, and also, some of the terms and contracts of the contract are different. So, how would we follow these and monitor these? That is another important factor as an operator who's engaged in the day-to-day business. Also, in terms of language, CIM is in French, German, and English, in terms of the documentation. Whereas SMGS is in Russian and Chinese. That is the standard language employed.

So, in terms of the actual interaction, of course, the actual methodologies differ, but also the difference in the language is another factor that we need to consider. So, it is fairly challenging to standardize, that is what we have heard. So, TSR, going through Siberia, at the border, I believe that it has not been fully penetrated in the day-to-day business. And I know that as well. But by no means am I becoming pessimistic. In fact, we are seeing gradual penetration. So, in Central Asia, in terms of the transit route, gradually, we shall see advancement of this. And there will be information linkage amongst multiple countries. By doing so, I do believe the route would be much easier to use.

So, as far as the Japanese operators are concerned, as we heard from Nissin already, definitely, it is gaining much attention. So, I know you may criticize me, we don't have much time, but I'd still like to share this little anecdote. So, when I was coming to this venue, I saw this commercial on the paperless operation of these documentation. So, by conducting digitalization, we can also address this language issue because there is an automatic translation. And the Japanese companies, quite often, they're familiar with procedures in English. But when it becomes Russian, French or German, all of a sudden, they start to make mistakes. And, of course, that would actually be much more time consuming in terms of the customs clearance. So, from that perspective, digitalization may also be a very effective tool to address this language issue. And we do believe Japan has the technology to

contribute. So, we heard from NTT West as well. But aside from them, we do have a quite a wide range of technology that we can offer from Japan. So, I would like to solicit all of you that we would like to be of help to your region. So, I ask for your cooperation. I sort of went all directions, but that is all from my end. Thank you very much.

Mr. Ichiba: Thank you very much. Let's move on to the Q&A session. I hope that you will give a succinct answer. First of all, Mr. Aliyev, from Azerbaijan, in your presentation you mentioned that the framework for multilateral cooperation through digitalization is being developed. So, for the implementation of this, what is the biggest challenge for you?

Mr. Aliyev: Thank you, Mr. Ichiba, for the question. This as an important question that's also makes us think for quite a long time, because each country and each stakeholder in this process which participates in the Middle Corridor, they have different priorities and different expectations. That is the first challenge for us. Second, as Mr. Fujimitsu also mentioned in his presentation, there are different standards and documentation. If we are talking about the railway, for example, some countries are going CIM, and some countries are doing SMGS. So, it's really hard to bring all of them to this unified and single platform where both of them are interchangeable and acceptable. So, although, we are evaluating the different options which are operating on the different platforms, these are two major questions we are trying to discuss with our partners at the multilateral level to see what could be a common ground to find a solution for these processes and use a single platform to bring all the documents, all the processes, and work together with our partners and stakeholders. Thank you.

Mr. Ichiba: Thank you very much for that. Now, I'd like to ask Mr. KAKAMURADOW from Turkmenistan, within your presentation you mentioned about the holistic integrated program for the modernization of the system. So, Turkmenistan, in order to smoothly the link the Caspian Sea transport and the rail transport, what are some of the measures that you are taking?

Mr. Kakamuradow: Thank you very much for the question. So, in Turkmenistan, it is the international port, so ferries, cargo, and also, we have for the travellers and the people. And also, 17 vessels could be processed. So, in terms of the rail terminal, it is located on the southeast of the terminal. And the necessary advanced technology, it's all facilitated within this terminal. At this terminal, there are two ocean cargo vessels could be processed. So, for instance, the transshipment of the cargo or platform that could be conducted. So, volume that could be transacted, it's quite large. So, the automobile the cars are used. And it is working 24 hours a day.

Mr. Ichiba: Thank you very much. This concludes Panel Discussion 2: Digitalization in trade and customs. Thank you very much for the participants.

Closing

Mr. Ichiba: Well, thank you very much once again for your participation. And I think we had a very meaningful exchange of opinions. So, I hope that today's discussion is going to be contributing to the connectivity with Central Asia and also Caucasus with Japan. The people who are here, we will be having a reception party in a while, so please stay a little bit more and enjoy networking with other participants. And thank you very much for your work translators. This adjourns the 12th Tokyo Dialogue of "Central Asia plus Japan" Dialogue on "Connectivity with Central Asia and the Caucasus". Thank you very much.

III Presentation Slides

Mr. Khusrav MIRZOEV, First Secretary, External Economic Cooperation Department, Ministry of Foreign Affairs, Tajikistan

Перспективы развития транспортных коридоров между центральноазиатскими и закавказскими республиками

Презентацию подготовил Мирзоев Х. (Сотрудник МИД Таджикистана)

2

Карта основных маршрутов Центральной Азии и Закавказья



Транскаспийский Международный Транспортный Маршрут (ТМТМ)

- Транскаспийский Международный Транспортный Маршрут (ТМТМ) или Средний (средневосточный) коридор соединяет страны Центральной Азии, Азербайджан, Грузию, Турцию и страны Европы, и является альтернативой другим маршрутам.
- Создание «Среднего коридора» позволит обеспечить высококачественные интермодальные транспортные и логистические услуги, гармонизировать трансграничные тарифы и внедрить унифицированную ИТ-платформу для полной автоматизации услуг по перевозке грузов.
- Эта новая возможность привлечения дополнительных грузов через данный транспортный коридор. Однако, его полный запуск требует решения многих вопросов, связанных с мультимодальными перевозками. К примеру отправка грузов ж/д транспортом из Центральной Азии в Европу через Кавказские республики требуют пересечения границ пяти государств, а также переправки контейнеров на паромы: по Каспийскому морю — из туркменистанского Туркменбаши в азербайджанский Баку, и по Черному морю — из грузинского Поти в болгарский Бургас.
- В этой связи гармонизация поставок еще требует большей **координации, новых договоренностей и совместных действий** между соседними странами).



Transport Corridor Europe-the Caucasus-Asia



- **TRACECA** is an international transport programme involving the European Union and 12 member states of the Eastern European, Caucasus, and Central Asian region. The programme aim is to strengthen economic relations, trade, and transport in the regions of the Black Sea basin, South Caucasus, and Central Asia.
- TRACECA was established in May 1993 in Brussels, upon the signing of a Multilateral Agreement on International Transport for the development of transport initiatives (including the establishment and development of a road corridor) between the EU member states, Eastern European, Caucasus and Central Asian countries.

The outcomes of previous years



KEY INITIATIVES OF THE PERMANENT SECRETARIAT OF THE INTERGOVERNMENTAL COMMISSION TRACECA during the Chairmanship of the Republic of Azerbaijan in 2020

Review on Harmonization and Simplification of border-crossing procedures Objective: simplification of border crossing procedures and their harmonization Status: considered at the meeting of the PS IGC TRACECA on September 23, country recommendations are being developed. Effect: reduction of time	Harmonized Conditions for Transport of Goods (COVID-19) Objective: taking the most coordinated action Status: approved at the meeting of the PS IGC TRACECA on November 24, the measures taken are monitored Effect: favorable conditions for transportation by road	Methodology for Identification of the routes of the ITC TRACECA Objective: regulation of the routes identification process Status: approved at the meeting of the PS IGC TRACECA on November 24, an updated map is being prepared Effect: focus on route efficiency	Methodology for evaluating of the check-points Objective: evaluation of the effectiveness of checkpoints Status: to be agreed by the MLA Parties, it is planned to consider it within the next meeting of the PS IGC TRACECA Effect: significance of control procedures at the border
Agreement on Single Transit Permit of TRACECA Objective: increasing the volume of transit cargo transportation Status: considered at the meeting of the PS IGC TRACECA on September 23, it is planned to sign within the framework of the next meeting of the IGC TRACECA Effect: increasing traffic up to 500 thousand tons per year	Digitalization of the existing multilateral permits system Objective: digitalization of the multilateral permit system Status: considered at the meeting of the Working Group on 07.10.2020, it is planned to consider it at the next meeting of the Working Group Effect: optimization of permit application procedures	Global Transit Document (GTD) Objective: introduction of a single document for all modes of transport Status: 2 meetings of the Working Group were held jointly with the ICTD and MSD, GTD Concept was prepared Effect: transportation of containers using the E-document	
Review on the mass and dimensions of motor vehicles Objective: analysis of requirements for vehicles in the countries participating in the MLA Status: sent for consideration by the MLA Parties on 12.11.2020, it is planned to consider it within the framework of the next meeting of the PS IGC TRACECA Effect: adoption of unified requirements for vehicle mass and dimensions	Agreement on mass and dimensions of transport vehicles Objective: harmonization of legislative norms of the countries participating in the MLA Status: sent for consideration by the MLA Parties on 12.11.2020, it is planned to sign within the framework of the next meeting of the IGC TRACECA Effect: adoption of unified requirements for vehicle mass and dimensions	Methodology for calculating tariffs for container transport Objective: determination of a unified approach to the formation of tariffs Status: it is planned to complete work on the text in February 2021 with the involvement of the railway and maritime administrations Effect: increasing container traffic up to 500 thousand TEU	
Review on the competitiveness of container transport Objective: analysis of the current situation in the MLA member states Status: sent for consideration by the MLA Parties on 28.08.2020, it is planned to be considered within the framework of the PS IGC TRACECA meeting Effect: taking measures to improve the competitiveness of the corridor	Concept for the development of container transport until 2030 Objective: determination of strategic objectives for the development of container transport Status: it is planned to complete work on the text in February 2021, consultants from the W3 and the CAREC Institute were involved Effect: increasing the volume of container traffic by 23 times		

12
key initiatives

The implementation of documents and resolutions

Strategy 2016-2026

Adopted on 1 June 2016, within 12 Annual Meeting of the IGC TRACECA, in Odessa, Ukraine, The Master Plan is an Annex to the IGC Strategy and its inalienable part.

Action Plan for 2018-2021

Main areas of actions

- Removal of institutional and legal barriers for transport and international trade
- Development of railway sector
- Motorways of the Sea, railway-ferry communication and maritime routes
- Development of road sector
- Development of inland waterways
- Air transport
- Connections with the hinterland, multimodal and logistic possibilities

Consists of 34 actions (implemented)

Action Plan for 2022-2026

Consists of 107 actions

Adopted on 21 October 2021, within 15 Annual Meeting of the IGC TRACECA

Implementation of the Final Resolutions of the IGC TRACECA (2010-2021)

Final Resolutions of the IGC TRACECA in total – 20, including

- under implementation – 11
- implemented – 4
- partly implemented – 3
- not implemented – 2

all Final Resolutions of the XIV Annual IGC TRACECA Meeting have been implemented

Status of TRACECA international agreements and documents

- There are 2 main international agreements: 1 of which are the **first multilateral agreement and protocols on amendments and additions**, 1 protocols have not entered into force
- There are 8 countries participating in the **Agreement on the Development of Multimodal Transport TRACECA**

There are no changes regarding the Agreement on Joint Financing of the PS IGC TRACECA and the Technical Document "TRACECA Multilateral Permit. User's guide"

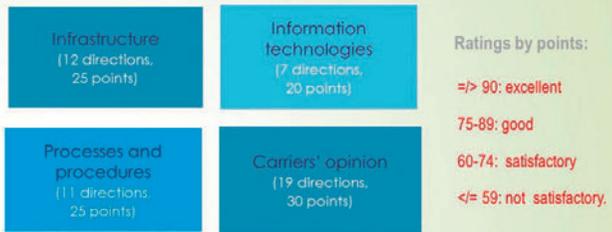
Development of international road transport

MULTILATERAL PERMIT SYSTEM

- Applied since 2016
- Used in 6 countries: Armenia, Georgia, Moldova, Romania, Turkey, Ukraine
- Gives the right to carry out bilateral and transit transportations, as well as transportations to/from third countries
- The average percentage of use of multilateral permits among 5 countries is 100%, with the exception of Armenia, which did not use permit forms in 2021.



METHODOLOGY OF EVALUATING CHECKPOINTS



HOTLINE CONCEPT



9

Methodology for the generation of statistical data

Statistical data on the volume of freight traffic and transport infrastructure along the routes of the TRACECA corridor is formed for each reporting year on the basis of the statistical information provided by the MLA Parties according to the tables of the Appendix (119 BCPs):

Table 1 Volume of transported goods along the routes of the TRACECA corridor

Table 2 Dynamics of the international traffic volumes on the main range of goods along the ITC TRACECA

Table 3 Export/Import/Transit cargo flows in the context of countries of departure/destination of goods along the ITC TRACECA

Table 4 Technical characteristics of railways

Table 5 Technical characteristics of roads

Table 6 Characteristics of sea ports



The volume of transported goods along the routes of the TRACECA corridor is calculated according to the criteria:

volumes of goods transported in transit through the territories of at least 2 TRACECA countries, where:

- the starting point of departure and the final destination is on the territory of a country that is not a TRACECA country;
- the starting point of departure or the final destination is located on the territory of a country that is not a TRACECA country;
- the starting point of departure and the final destination is on the territory of a TRACECA country;

volumes of goods transported in transit through the territory of at least 1 TRACECA country and a sea leg irrespective of the country of departure or destination (land and maritime transport).



PERMANENT SECRETARIAT

10

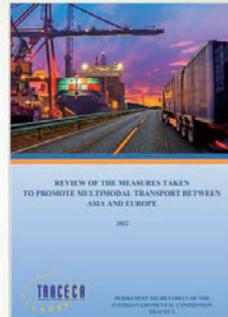
On multimodal transport

OVERVIEW "MULTIMODAL TRANSPORT LEGAL FRAMEWORK"

Has been prepared in order to provide a basic understanding of the legal systems applicable to multimodal transport and to multimodal transport operators, briefly highlight the obligations and rules governing the activities of multimodal transport operators, and analyze existing legislative framework of the TRACECA countries.



REVIEW OF THE MEASURES TAKEN TO PROMOTE MULTIMODAL TRANSPORT



Examines in more detail the experience of countries (including TRACECA countries) in stimulating multimodal transport at the state level and the results from its application with a view to implementing the provisions of the Concept for the development of container transport until 2030

1
1

Revised and new initiatives

TRACECA FUND

VOLUNTARY FEES (CONTRIBUTIONS)

The amount is unlimited / anonymous fees (contributions) are not allowed

Governments of the MLA states	States-observers in the IGC	International organizations	Organizations of regional economic integration
Regional or sectoral financial and donor organizations		Legal entities carrying out commercial activities in the field of international transportation	

Establishment procedure

- Making decision by the IGC TRACECA
*Approval of the Rules of Operation of the TRACECA Fund
Making amendments to some documents*
- Attraction of voluntary fees
*MLA Parties
States-observers in the IGC TRACECA
International organizations and other financial institutions*
- Collection of applications for funding
- Distribution of funds by the Steering Committee of the TRACECA Fund

Goal and objectives

1. Goal – further contributing to the achievement of the objectives defined in Article 3 of the MLA.
2. Objectives – direct financing through the provision of grants, as well as support and promotion of projects aimed at facilitating the transport of goods and crossing the borders of the TRACECA corridor.

BUSINESS COUNCIL

At the initial stage, it is proposed to create an interregional non-governmental non-profit association of business circles, national associations of carriers and forwarders and other organizations interested in the development of trade and economic relations, transport and communication links.

The main coordinating body of the BC will be the executive body.

DRAFT AGREEMENT ON VISA-FREE TRAVEL OF PROFESSIONAL DRIVERS

Professional drivers have the right to enter and short-term stay (not exceeding 15 calendar days) in the territory or transit through the territory of the Parties of the Agreement.



1
2

Development of maritime transport

Review on the evaluation and development of the concept of marine vessels for the Caspian Sea

The main goal is to develop maritime transport along the TRACECA corridor and reduce the cost of transportation.

As part of the study, following work was covered:

- conducting a comparative analysis of the cost of transport of goods by sea in the Caspian and Black Seas, and preparing recommendations for reducing the cost of transportation and the business model of cargo shipping lines;
- conducting an analysis of the current fleet of the TRACECA countries and identifying bottlenecks and factors hindering the development of maritime transport;
- development of a feasibility study, including the conceptual design of vessels' structures for maritime transport in the Caspian Sea and the adaptation of terminals (if required);
- development of a feasibility study with the rationale for the optimal parameters of ferries for sea transportation in the Black Sea, taking into account the cargo flow within TRACECA

The project was launched in December 2021 and completed in December 2022. The presentation of the vessel concept held on December 1, 2022.



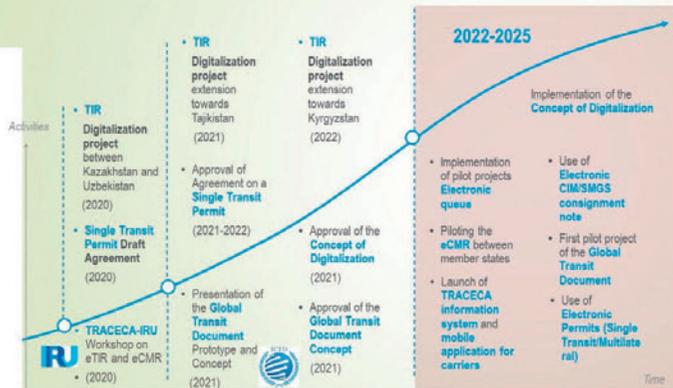
The conceptual design of vessels' structures for maritime transport in the Caspian Sea



It is expected to continue the work and move on to a more detailed preparation of the vessel project documentation - engineering survey with the involvement of railway and hydrotechnical organizations to assess the ramp, the arrangement of elevator equipment, the calculations of the load on the berths, the wagon supply plan, deck layouts, etc.

Projects and initiatives towards digitalization

The Permanent Secretariat is currently working on initiatives aiming to introduce digital solutions on transport



7 countries have carried out eTIR pilot/TIR digitalization transportations: Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Uzbekistan

Workshops on Use of Electronic CIM/SMGS Consignment Note organized jointly with OCJD, CIT and UIC (June 2022; January 2023)

In 2022, 3 meetings of the Working Group on piloting the GTrD were held (Azerbaijan, Kazakhstan, Tajikistan and Uzbekistan). On 18-19 October 2022 the ceremony of launching GTrD pilot transportation was held. The first three shipments were successfully delivered in November 2022 from Tajikistan to Georgia.

Draft Recommendations on the launch of the digital corridor and minimum technical requirements of the digital corridor have been prepared

Координация деятельности контролирующих органов на границе

В Таджикистане вопросы координации деятельности контролирующих органов на границе кроме общепринятых норм Таможенного кодекса регламентируются Положением о пунктах пропуска через государственную границу Республики Таджикистан от 30 декабря 1998 года № 541 и Правилами координации деятельности органов, контролирующих автодорожные пункты пропуска через таможенную границу Республики Таджикистан по принципу «одна остановка», утверждённые постановлением Правительства Республики Таджикистан от 3 июля 2014 года № 436.

Ключевым аспектом утверждённых Правил является осуществление контроля по принципу «одной остановки».

Правила координации разработаны без учета электронного обмена данными. В целях координации и мониторинга прохождения контроля Правилами предусматривается применение бумажной формы — Талона, где отмечается время начала и завершения процедур контроля по каждому ведомству. Установлено, что данная процедура не может длиться более одного часа для всех контролирурующих органов, независимо от её сложности.

В настоящее время в Таджикистане идет процесс согласования по внесению изменений и дополнений в Правила координации деятельности органов, контролирующих автодорожные пункты пропуска через таможенную границу Республики Таджикистан.

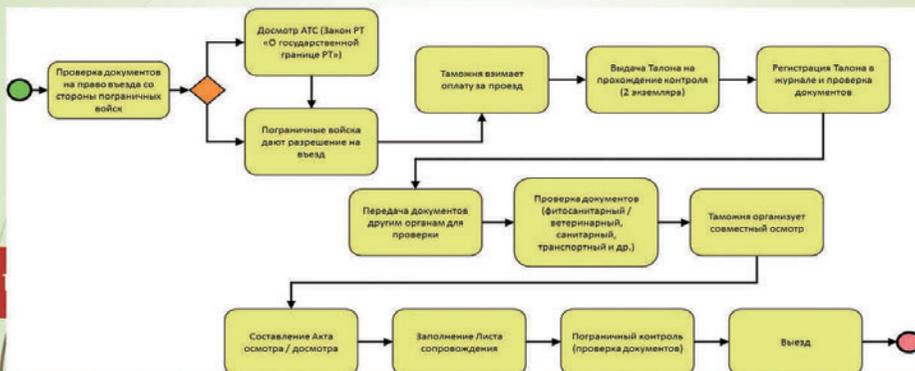
Изменения касаются взаимодействия и координации ведомств на границе и временных рамок прохождения того или иного вида контроля.

Необходимо отметить о шаге по упрощению процедур торговли в Таджикистане – была отменена уплата двойного таможенного сбора в выходные и официальные праздничные дни.

Принятие программы уполномоченных экономических операторов (2020) также была своевременной для содействия торговле в сложных условиях, однако данный институт пока не получил широкого применения.

15

Диаграмма процедуры прохождения пограничного контроля Таджикистана согласно нормативам. Все пункты



Программу развития таможенных органов Республики Таджикистан на 2020-2024 годы

Правительство Республики Таджикистан приняло среднесрочную Программу развития таможенных органов Республики Таджикистан на 2020-2024 годы, в которой ключевое внимание уделяется повышению роли таможенных органов в налаживании межведомственного взаимодействия при интегрированном управлении границей, исключая дублирование пограничного контроля грузов и товаров. В целях совершенствования механизмов государственного контроля в пунктах пропуска предусматривается **введение обязательного предварительного информирования**.

17

Существует необходимость в активном задействовании механизма реализации данной Программы.

Система электронных деклараций и улучшение инфраструктуры на погранпереходах

Система электронных деклараций значительно сокращает время таможенного оформления прохождения грузов через погранпереходы. Однако к настоящему времени действует соглашение о применении электронных деклараций только лишь с Узбекистаном. Ведется работа по подписанию аналогичного соглашения с Казахстаном.

В настоящее время Правительство работает над вопросом привлечения финансирования, в частности для улучшения инфраструктуры на погранпереходах (**строительство дополнительных линий включая и установление зеленых коридоров, сканнеров, внедрение цифровизации, «смарт-тегов» на таможенных пломбах с использованием GPS для грузовых грузов и тд.**).

Несмотря на то, что в последнее время Таджикистану удалось значительно сократить время таможенного оформления (2017 – 3 часа, 2020 – 1 час, 2022 – 05 часов) отсутствие надлежащей инфраструктуры и применения цифровых технологий является причиной ожидания АТС в очереди, время которой, иногда, составляет 4 часа, несмотря на то что груз даже экспортный и скоропортящийся.

Сотрудничество Таджикистана и Азербайджанской Республики в области транспорта

Автомобильный транспорт

В области автомобильного сообщения подписано и действует межправительственное Соглашение о международном автомобильном сообщении от 15 марта 2007 года. Действует система обмена разрешительными бланками на осуществление автомобильных перевозок.

Страны	Годы	Импорт		Экспорт		Итого:	
		Кол. т/с	Объем груза тонна	Кол. т/с	Объем груза тонна	Кол. т/с	Объем груза тонна
Таджикистан	2021	5	67	4	22	9	89
Азербайджан		4	73	2	-	6	73
Итого на 2021 г.		9	140	6	22	15	162
Таджикистан	2022	5	93	5	79	10	172
Азербайджан		23	329	5	23	28	352
Итого на 2022г.		28	422	10	102	38	524

Сотрудничество Таджикистана и Азербайджанской Республики в области транспорта

Железнодорожный транспорт

Сотрудничество в области железной дороги между Республикой Таджикистан и Азербайджанской Республики, осуществляется на основе межправительственного соглашения о сотрудничестве в области железнодорожного транспорта от 15 марта 2007 г.

	2021г.		2022г.		разница (+/-) (тонна)
	вагон	тонна	вагон	тонна	
Импорт	161	9 775	126	6 508	+ 3 267
Экспорт	0	0	2	46	+ 46
Транзит	291	18 755	103	5 145	- 13 610
Общ.	452	28 530	231	11 699	-16 831

Сотрудничество Таджикистана и Республики Грузия в области транспорта

Автомобильный транспорт

В области автомобильного сообщения подписано и действует межправительственное Соглашение от 14 апреля соли 2021. Действует система обмена разрешительными бланками на осуществление автомобильных перевозок.

** Перевозки по железной дороге в 2022 г. не осуществлялись*

№	Давлатҳо	Воридот		Содирот		Ҳамаги	
		Автомобильные средства (ед.)	Объем груза (тонна)	в/н (адад)	Ҳаҷми бор (тонна)	в/н (адад)	Ҳаҷми бор (тонна)
1	Тоҷикистон	48	603	541	11372	589	11975
2	Гурҷистон	238	2741	554	9829	792	12570
	Ҳамаги: дар соли 2021	286	3344	1095	21201	1381	24545
3	Тоҷикистон	79	982	707	14409	786	15391
4	Гурҷистон	356	3966	408	3907	764	7873
	Ҳамаги: дар соли 2022	435	4948	1115	18316	1550	23264

Товарооборот Таджикистана со странами Центральной Азии и Закавказья

Страны	Экспорт	Импорт	доля стран в общем объеме товаро-оборота, %	январь -декабрь 2022 в % к январю-декабрю 2021 г.
Азербайджан (Импорт: семена и плоды прочих масличных культур, масло растительное, сахар. Экспорт: пряжа хлопчатобумажная)	401,2	5814,7	0,1	101,2
Армения (Импорт: лекарственные средства)	-	266,3	-	66,5
Казахстан	483915,4	957265,8	19,7	122,3
Кыргызстан	1238,0	13821,4	0,2	58,4
Туркменистан	783,2	52126,2	0,7	2,4 р.
Узбекистан	178328,8	377032,9	7,6	124,0

**(Источник: Агентство по статистике при Правительстве Таджикистана)*

Политическое взаимодействие

14-15 марта в Баку проходит многосторонняя встреча глав таможенных органов на тему «Проект упрощенной транзитной таможенной процедуры вдоль Транскаспийского международного Среднего коридора «Восток-Запад» с применением принципа «Единого окна»

В 2023 году предполагается обмен визитами глав ряда центральноазиатских и закавказских республик. Одной из повесток встреч на высшем уровне станет сотрудничество в транспортной сфере, упрощение таможенных процедур.

23

Спасибо за внимание !

24

Mr. Abdulla KHASHIMOV, Director of Development of Transport Corridors and Logistics Department, Ministry of Investment, Industry and Trade, Uzbekistan



Institutional coordination and human resource development for large-scale cooperation

Uzbekistan – EU:
development of alternative transport corridors

Abdulla Khashimov,
Ministry of Investment, Industry and Trade



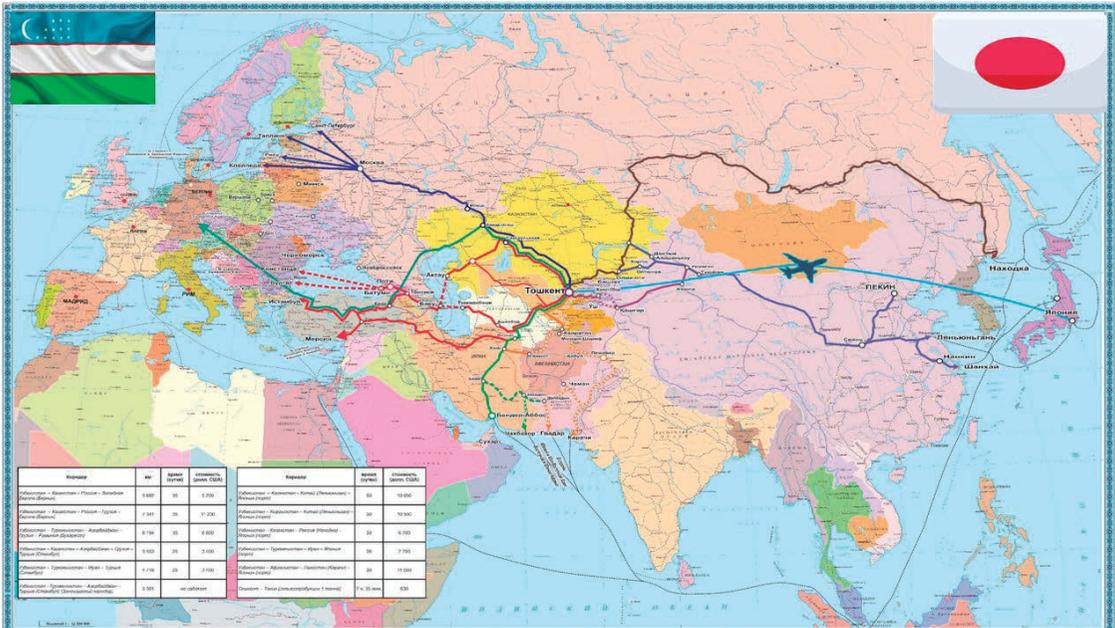
INSTITUTIONAL COORDINATION AND HUMAN RESOURCE DEVELOPMENT
FOR LARGE-SCALE COOPERATION



- The volume of Uzbekistan's GDP by 2026 = \$100 billion.
- Exports – \$30 billion.
- 2022: the share of transport costs in the value of export products is from 15% to 65%.
- Dependence index on foreign trade in 2022 is 28.6%, com. USA – 15%, Japan - 15%, Brazil - 12%.

In 2022, Uzbekistan's trade volume with the South Caucasus/EU/Turkey amounted to \$8.2 billion, including \$4.5 billion with the EU. 16,4% of the total volume of foreign trade.

The volume of freight traffic with EU countries exceeded 3.73 mln. tons, including 2.54 mln. tn by motor transport.



INSTITUTIONAL COORDINATION AND HUMAN RESOURCE DEVELOPMENT FOR LARGE-SCALE COOPERATION



- Uzbekistan – Turkmenistan – Azerbaijan – Georgia – Romania (Bulgaria) (Turkey).
- Uzbekistan – Kazakhstan - Azerbaijan – Georgia – Romania (Bulgaria) (Turkey).
- Uzbekistan – Turkmenistan – Iran – Turkey
- Uzbekistan – Turkmenistan – Azerbaijan (Kazakhstan) – Iran – Turkey.
- optimization of tariffs rates of fees for the transportation of goods
- reduction of physical barriers;
- - expansion of digitalization of border customs, sanitary, phytosanitary, veterinary, transport control;
- - increasing the capacity of ports and shipping;
- - increasing the carrying capacity of railway transport



**INSTITUTIONAL COORDINATION AND HUMAN RESOURCE DEVELOPMENT
FOR LARGE-SCALE COOPERATION**

- PP. To support the Governments of Central Asia and the South Caucasus in the development of the Asia–Caucasus–Europe transport corridor.
- It is important to gather the heads of the Ministries of Economy, Trade of Central Asia, the Caucasus, Turkey, Eastern Europe + Japan in order to work out the priorities for the development of the transport corridor.
- Key tasks:
 - Harmonization and unification of the regulatory and legal framework of international transport.
 - Improving the rules for the transportation of goods and passengers, technical parameters of wagons and motor vehicles, the arrangement and operation of border checkpoints, the technical condition of roads and roadside infrastructure, etc.



**INSTITUTIONAL COORDINATION AND HUMAN RESOURCE
DEVELOPMENT
FOR LARGE-SCALE COOPERATION**



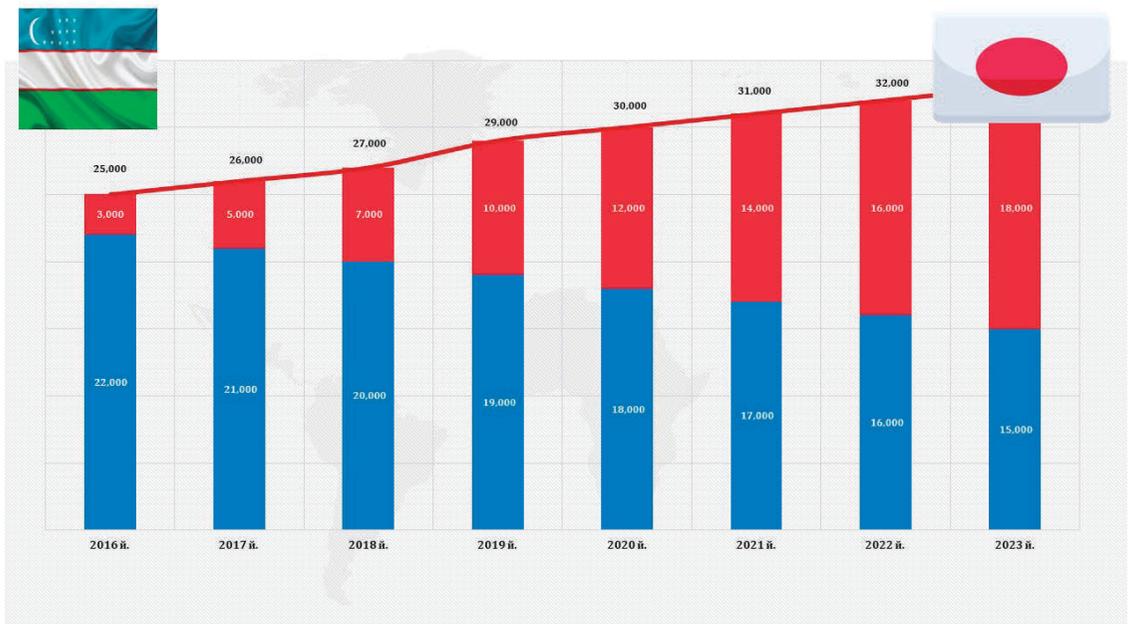
- Modernization of railway transport, expansion of modality, electrification of railways.
- Renewal of the vehicle fleet, creation of favorable conditions for the transportation of goods by road and transit, levelling fees, transfer of international cargo transportation, including to/from third countries on a non-permissive basis.
- Digitalization of international cargo transportation by all modes of transport, first of all, checkpoints of border, customs, transport, phytosanitary, veterinary control at the border.
- We offer Japanese companies:
 - - actively participate in the digitalization of international freight transport;
 - - to create enterprises in Uzbekistan and neighboring countries for the production of various kinds of technical means, starting with radar, sensor technology, measuring equipment, scanners.



**INSTITUTIONAL COORDINATION AND HUMAN RESOURCE DEVELOPMENT
FOR LARGE-SCALE COOPERATION**



- Such leading Japanese companies as
 - JOGMEC,
 - Mitsubishi,
 - Itochu,
 - Sumitomo,
 - Marubeni,
 - Isuzu,
 - Shivaki
- and others work in Uzbekistan.
- A number of projects totaling \$11 billion have been successfully implemented. Since 1995. Japan allocates about \$1 million for the development of education and health protection in Uzbekistan.





**Thank you
for
your attention!**



New Reality of Middle Corridor

Opportunities of Caucasus and Central Asia



Classification: Public

New Geopolitical configuration / Regional Challenges and Opportunities



Challenges:

- War in the territory of Ukraine;
- Imposed sanctions towards Russia and Belarus;
- Suspended shipments by Global Carriers to Russian commercial Sea Ports;
- Unreliability of Trans-Siberian transit corridor for Global Corps.

Opportunities:

- Middle Corridor becomes the only ONE reliable route for implementation of Silk Road between east and west;
- Black and Caspian Sea Ports become hub of European and Asian Railway routes through Middle Corridor.



Classification: Public

Current status and cooperation efforts in logistics through Middle Corridor countries



TRACECA

- The Intergovernmental Commission TRACECA promoting the development of regional transport dialogue and ensuring the efficient and reliable Euro-Asian transport links.
- TRACECA aimed at strengthening of economic relations, trade and transport communication in the regions of the Black Sea basin, Caucasus and Central Asia owing to active work based on political will and common aspirations of all member-states.
- TRACECA route comprises the transport system of the 13 member-states of the “Basic Multilateral Agreement on International Transport for Development of the Europe-Caucasus-Asia Corridor”.



TITR

- The Trans-Caspian International Transport Route (TITR) starts from Southeast Asia and China, runs through Kazakhstan, the Caspian sea, Azerbaijan, Georgia and further to European countries.
- TITR coordinates interaction of all the participants of transportation of goods and containers along the route from Asia to Europe and in the reversed direction, including needed informational support.



Classification: Public

Challenges in cooperation within Middle Corridor



- Caspian sea Operational limitations;
- China to Central Asia border capacity limitations;
- Digitalization - Track and Trace/visibility limitations.



Classification: Public

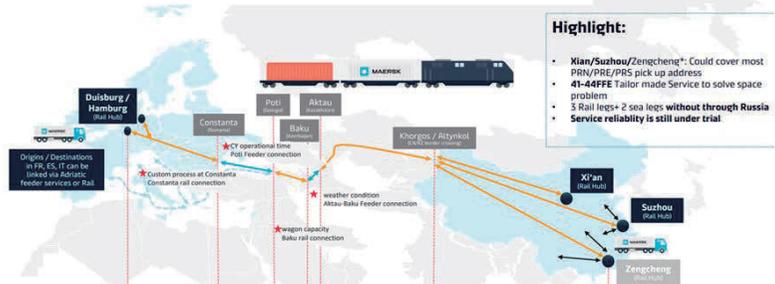
Maersk Role as a Global logistic integrator for Middle Corridor



We see the importance of our participation in the process not only as shipping line but as a global containerized logistic integrator. Our group has a world class experience presenting trucking, Rail, W&D/ICR/SCM and we understand that our expertise will be critically useful for development and optimization of Middle Corridor through Black sea as a main gateway between EU, Caucasus, CA and Far East.



- Direct Ocean services in Black Sea;
- Intercontinental/Cross boarder Rail Services;
- Maersk Inland Delivery;
- Warehousing & Distribution services;
- Managing supply chain on three fronts



Classification: Public

Expectation from foreign companies, including Japanese companies



- Vast natural resources;
- Robust transport and communication infrastructure;
- Human Capital;
- Government Incentives and Support;
- Priority Sectors of the Economy;
- Efficient Operating Cost;
- Liberalized Taxation;
- Bilateral and Multilateral Free trade Agreements.



Infrastructure



Agribusiness



Tourism



Petrochemical Industry



Mechanical Engineering



Mining and Metallurgical Complex

Classification: Public

Thank you!

Prof. Irakli Danelia, (PhD in Economics)
Business Development Head for Black Sea & Central Asia

King David Business Center, 5th Floor
12 Aleksidze str., 0179, Tbilisi, Georgia
Mob: +995 577 00 32 32
E-mail: irakli.danelia@seaandmaersk.com
<https://www.maersk.com>

Classification: Public

Mr.Rati DEVADZE, Deputy Head of Transport and Logistics Development Policy Department,
Ministry of Economy and Sustainable Development of Georgia



Ministry of Economy and Sustainable Development of Georgia

Georgia: A Getaway to Europe and Asia



March 2023 Tokyo, Japan

Country Profile



- Strategically located at the crossroad of Europe and Asia
- Modern and fast-developing infrastructure
- Free Trade Agreements with 2.3 bln market - EU, China (Including Hong Kong), Turkey, Ukraine, CIS & EFTA
- Skilled and competitively priced labor force
- flat-rate, low taxes - No corporate profit tax on reinvested profit
- Stable, effective and well-developed banking sector
- Recognized as one of the easiest places to do business in the world

Transport Network of Georgia



Roads

- Total Length: ≈ 20 000 km
- Capacity: min. 8-10 thousand motor vehicles, max. 50 thousand motor vehicles per day (highway)

Railway

- Total Length: 1.342 km
- Annual Capacity: 28 mln tons

Sea Ports & Terminals

- Poti Sea Port (APM Terminals)**
 - Berths - 15
 - Depth: 8-11m
 - Annual Capacity: 4 mln tons of dry cargo, 1 mln tons of oil products, 1.0 mln. Ferry cargo, 550 000 TEU
- Batumi Sea Port (BHH)**
 - Berths - 11
 - Depth: 9-12m
 - Annual Capacity: 15 mln tons of oil products, 2 mln tons of dry cargo, 0.7 mln. Ferry cargo, 180 000-200 000 TEU, 180 000 passengers
- Kulevi Sea Terminal (Socon)**
 - Berths - 2
 - Depth: 17.10 m and 13.60 m
 - Annual Capacity: 6 mln tons of oil products
- Supsa Sea Terminal (BP)**
 - Annual Capacity: 8 mln tons of oil

Pipelines

- Baku-Tbilisi-Ceyhan (BTC) pipeline (BP 30.1 %)**
 - Total Length: 1768 km
 - Annual Capacity: 60 mln tons

Airports

- Tbilisi International Airport (TAV)**
 - Capacity: ≈ 3 000 passengers per hour
- Kutaisi International Airport (UAG)**
 - Capacity: ≈ 800 passengers per hour
- Batumi International Airport (TAV)**
 - Capacity: ≈ 600 passengers per hour
- Ambrolauri Domestic Airport (UAG)**
 - Capacity: ≈ 100 passengers per hour
- Mestia Domestic Airport (UAG)**
 - Capacity: ≈ 50 passengers per hour
- Natakhtari Domestic Airport (UAG)**
 - Capacity: ≈ 50 passengers per hour
- Telavi Domestic Airport (UAG)**
 - Flight training

Boosting Georgia's Transit Potential Implementation of major infrastructure projects



Railway Modernization



Baku-Tbilisi-Kars Railway



East-West Highway



Development of logistics Centres



Boosting Georgia's Transit Potential Implementation of major infrastructure projects



Anaklia Deep Sea Port



Expansion of Poti Seaport



PACE terminal



5

Anaklia Deep Sea Port Phase 1: Project Characteristics



- Phase 1 capacity – 600 000 TEU per annum
- cargo type: container
- Possibility to accommodate vessels up to 10,000 TEU
- Design port depth: -16.0m CD
- Phase 1 CAPEX – 500 mln USD
- Investment Area – 1000 ha
- Port Area – 340 ha
- PPP model – DBFOMT
- Free Industrial zone will be developed near the port hinterland
- Construction shall begin within 9 (nine) months from the date of signing of the Concession Agreement.
- The envisaged term of the Project is forty-nine (49) years from the commencement of operation of Phase One of the Anaklia Port.



6



Government Support and Participation:

- In the course of the Selection Process, the Government of Georgia plans to establish a 100% state owned special purpose company (the "State Owned Company"), which will start preparation works for the Project, that may include updating all relevant studies, where needed, obtaining necessary permits and commencing certain construction works.
- After selection of the Private Partner, the State Owned Company and the selected Private Partner will establish the Concessionaire/Institutional public-private partnership company, where the State Owned Company shall own 51% and the Private Partner 49% of the shares, and which will later enter into the Concession Agreement with the Government of Georgia.
- the Government of Georgia (through 100% state owned company) will provide to the Concessionaire up to three hundred forty (340) hectares of land for the Project ("Project Site"); early dredging, land preparation and soil improvement works have already been conducted in the Project Site in the period 2017-2019; The forms of transfer of Project Site and further details will be set out in RfP.
- the Government shall transfer full package of all technical, commercial and environmental studies to the new Investor, **including but not limited to Port Masterplan and Preliminary Design;**
- the Government shall construct railway and road connecting to the future port;
 - detailed design is in place

7

Completed Works – Early Dredging, Land Preparation, Soil Improvement



8

Next Steps



- In February 20, 2023 the MOESD announced Statement of Intent (SOI) for selecting new Investor;
- Interested Candidates are requested to submit legal documents, as well as information related to their experience and financial standing until May 19, 2023;
- After evaluation of SOIs, the Commission shall select shortlisted Candidates until July 17, 2023.
- RFP will be evaluated on the basis of technical, commercial and financial criteria.;
- Based on the RFP results, the Commission shall select the Private Partner and sign the Concession Agreement.

Contact Person:

David Javakhadze

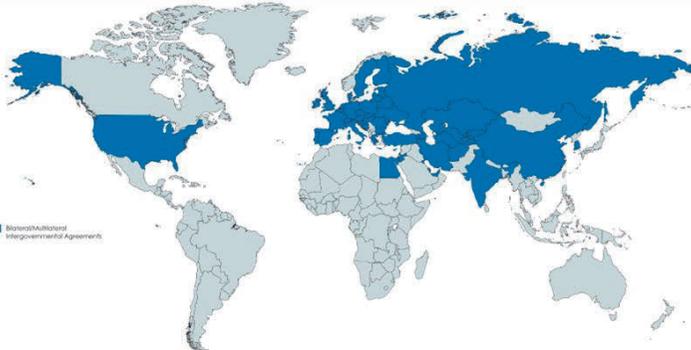
Director at LEPL Anaklia Deep Sea Port Development Agency

Mob: +995 595 51 55 03

E-mail: djavakhadze@Anaklia.gov.ge

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Boosting Georgia's Transit Potential Improving Transport Links



Civil Aviation

- Bilateral air services agreements signed with 39 countries
- Common Aviation Area Agreement signed with EU and its member states
- Air services agreements planned with 15 countries

Maritime Transport

- Bilateral agreements signed with 17 countries
- Planned with 4 countries

Road Transport

- Bilateral agreements signed with 32 countries
- Planned with 3 countries

Railway

- Bilateral agreements signed with 10 countries

Transport Corridor Agreements

- TRACECA Basic Agreement
- Lapis Lazuli Route Agreement
- On-going Persian Gulf-Black Sea Corridor Agreement

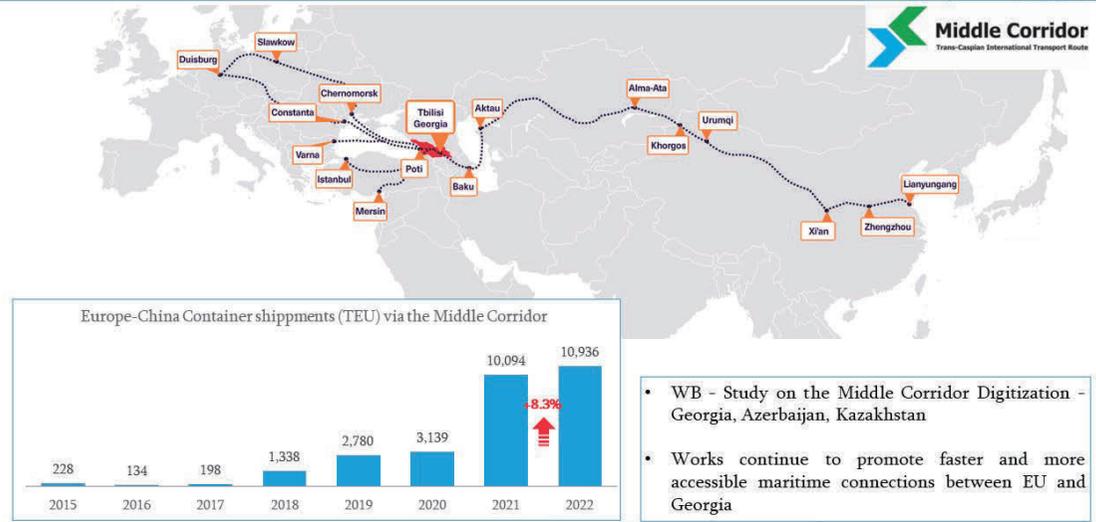
10

Development of New Transit Routes and Corridors Regional Cooperation and Transport Connectivity



11

Development of New Transit Routes and Corridors Middle Corridor

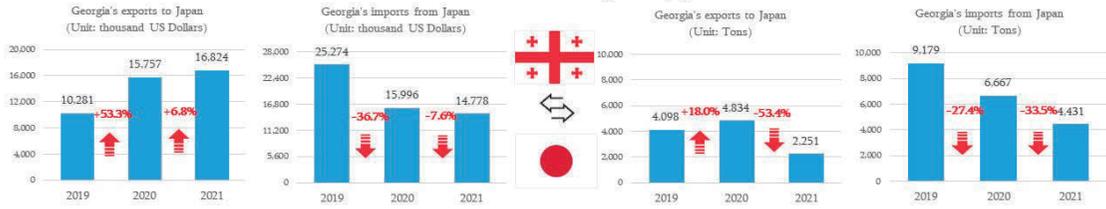


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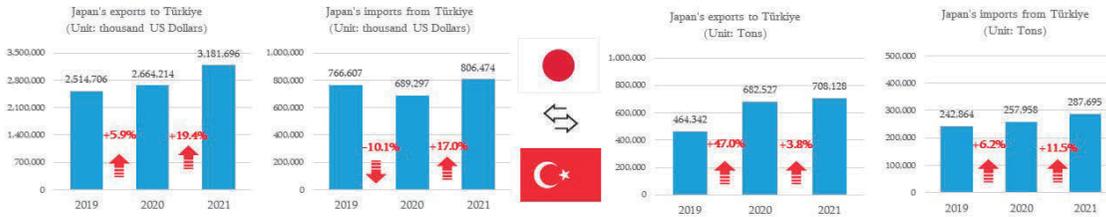
Foreign Trade



Bilateral trade between Georgia and Japan



Bilateral trade between Japan and Türkiye

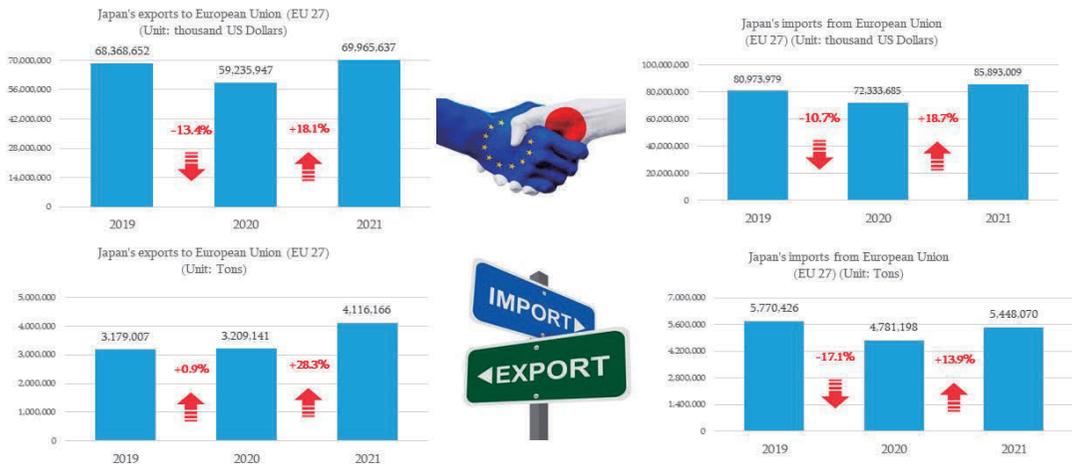


13

Foreign Trade



Bilateral trade between Japan and European Union (EU 27)

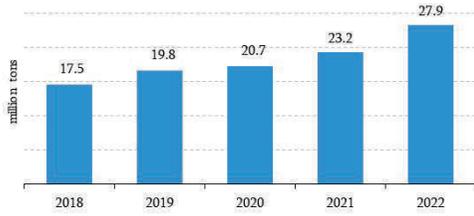


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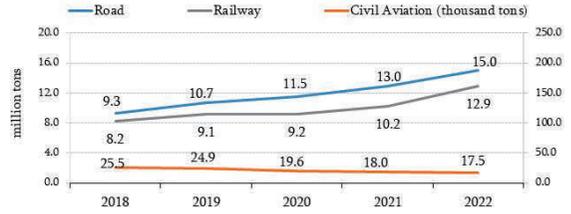
Georgia's Transport Statistics



International Freight Transportation



International Freight Transportation by Mode

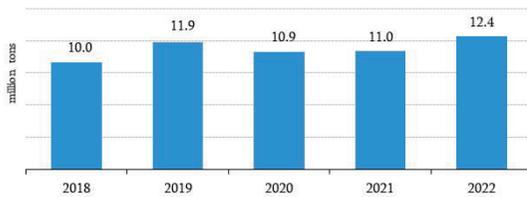


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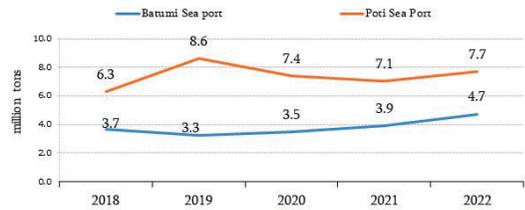
Georgia's Transport Statistics



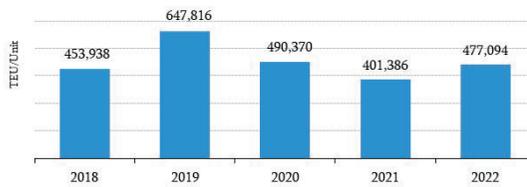
Total Cargo Handled by Batumi and Poti Sea Ports



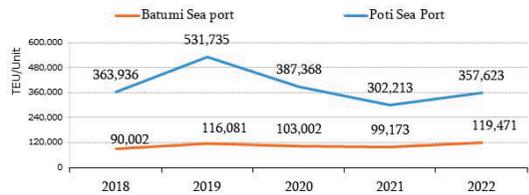
Cargo Handled by Georgian Sea Ports



Containers Handled by Georgian Sea Ports



Containers Handled by Georgian Sea Ports



16

Thank you for your attention

Mr. KOIZUMI Yukihiro, Deputy Director General, Infrastructure Management Department, Japan International Cooperation Agency (JICA)



JICA's cooperation on logistics improvement for smooth connectivity



Sihanouville port @ Port Authority Sihanoukville Tsubasa bridge @ JICA Lusumo border @ JICA

March 15, 2023
Japan International Cooperation Agency
KOIZUMI Yukihiro

1



Today's Contents

1. JICA, at a glance
2. Mekong region connectivity
3. East African Communities connectivity

2



JICA, at a glance

Leading the world with trust

JICA values the relationship of mutual trust with developing countries and is working with them to rise to the challenges.

There are



96
overseas offices
(as of July 1, 2020)



14
domestic offices
(as of July 1, 2020)



1,929
staff members
(as of July 1, 2020)



150
developing countries and regions
that received assistance
(during fiscal year 2019)



People

A society where all can live healthy, safe lives

- Education
- Health
- Social Security



Peace

A peaceful, just society without fear or violence

- State-Building to Prevent the Outbreak and Recurrence of Conflicts
- Governance Support
- Gender Equality and the Empowerment of Women and Girls



Prosperity

A prosperous, sustainable economy at harmony with nature and prepared for promoting social development

- Agricultural and Rural Development
- Private Sector Development
- Urban and Regional Development
- Ensure Access to Affordable and Clean Energy
- Development of Transport Infrastructure



Planet

Care for the Planet

- Environmental Conservation and Management
- Water Resources Management
- Disaster Risk Reduction
- Climate Change

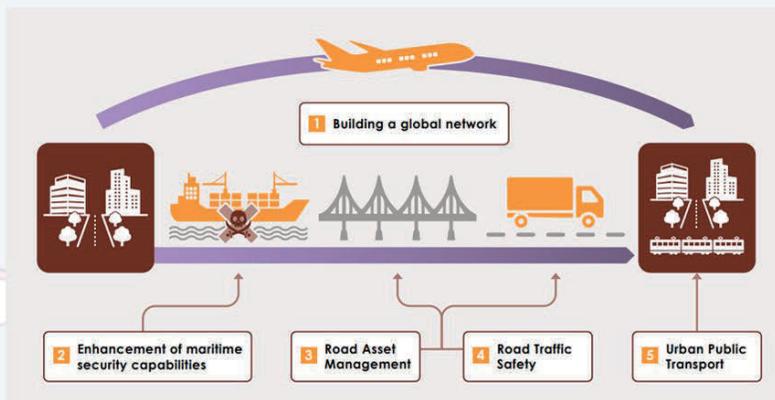
Transport, logistics

https://www.jica.go.jp/about/at_a_glance/index.html

3



Transport Global Agenda



Building a global network and promote smooth logistics, harmonized as hard, soft, digital ways

4

Case 1: Mekong region connectivity



5

Comparison between two regions (2019)



8 countries
90 million people
201 billion dollars (GDP)

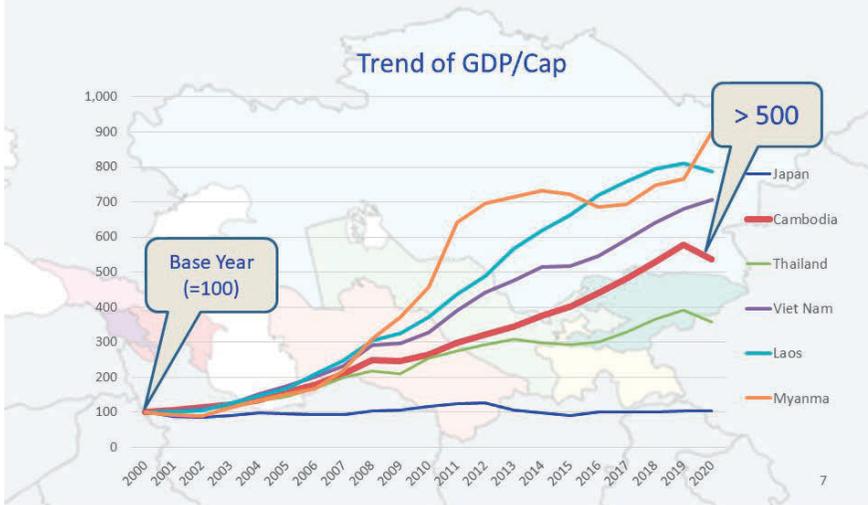


5 countries (exclude PRC)
242million people (exclude PRC)
987 billion dollars (exclue PRC) (GDP)

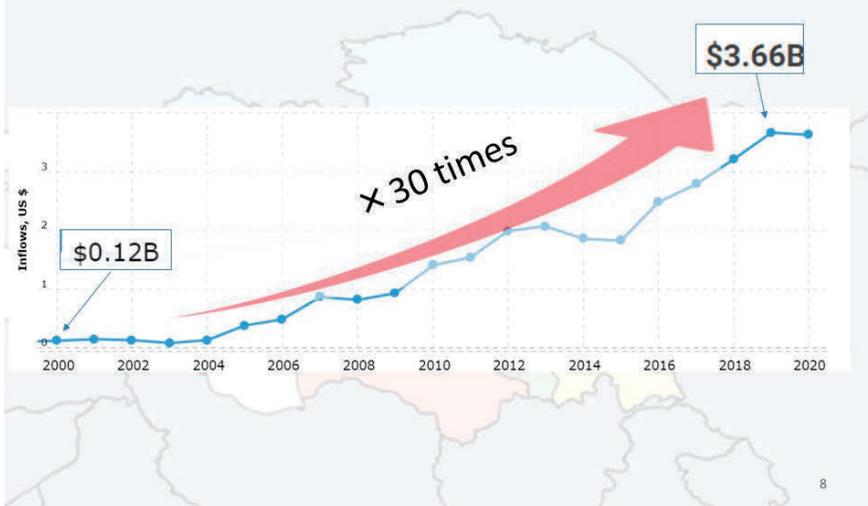
6



Significant Development in Mekong Region Countries



Rapid increase of FDI in Cambodia





JICA's approach in Mekong region countries, then (2009)



1. Narrowing socio economic development gap
2. Expedite regional integration

(From the transportation's viewpoint)

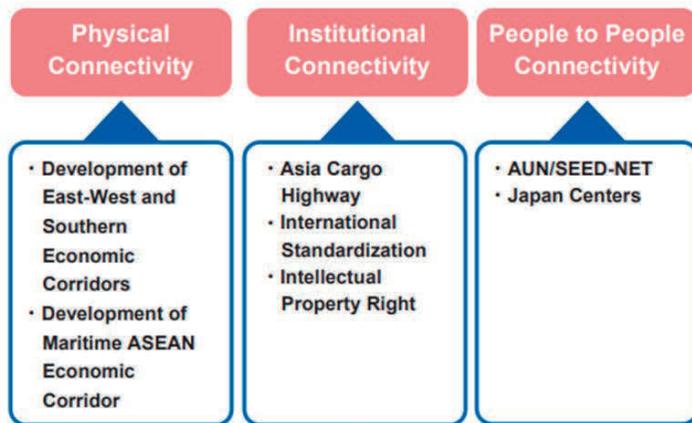
3. To realize smooth connectivity

JICA JARCOM meeting (2008)

9



Three Connectivities

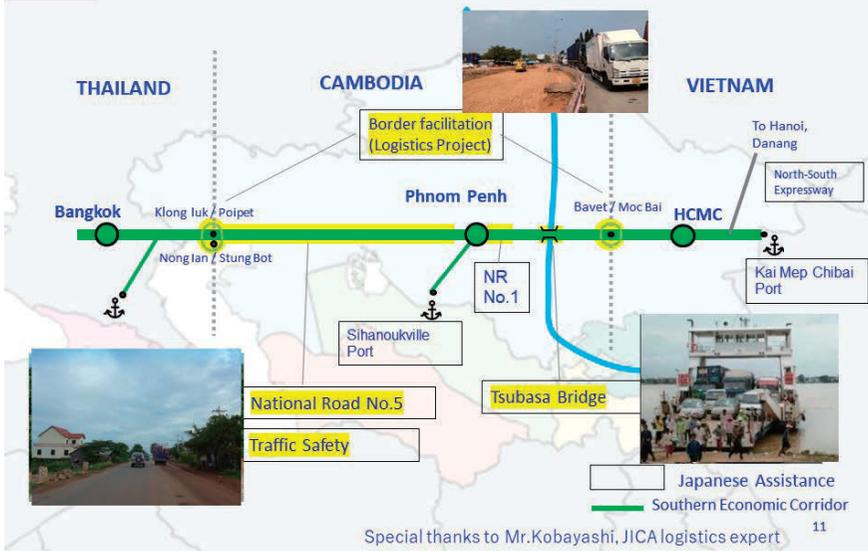


JICA's regional cooperation in ASEAN (November 2012)

10



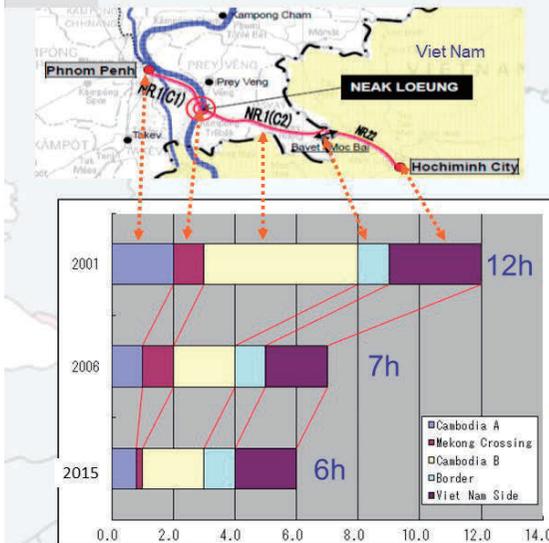
JICA's contribution for smooth connectivity



11



Significant Improvement



- ✓ In 2001, travel from Phnom Penh to HCMC with just 240km took 12 hours by car
- ✓ Especially, Cambodia section were heavily deteriorated
- ✓ There were some people forced to wait for ferry as much as 6 hours in peak time at Mekong river

● Now you can take just 6 hours between two cities

12



Cooperation on smooth facilitation at cross borders

Project for Improving the Logistics System of Cambodia

(JICA Technical Cooperation Project) 2019-2023

- Formulate logistics M/P
- Implementation of priority action plan
- Data analysis, monitor, evaluation on cross border trade
- Kaizen for border procedure

Before

50 vehicles/hour
at Cambodia's
border



After

80 vehicles/hour
by Kaizen for
Cambodia's
border procedure



Road in Buffer zone of Bavet Border is widened by MPWT, Cambodia (Vietnam Border)

Special thanks to Mr.Kobayashi, JICA logistics expert

13



Case 2: EAC connectivity

EAC: East African Communities

14



Comparison between two regions (2019)



8 countries
90 million people
201 billion dollars (GDP)

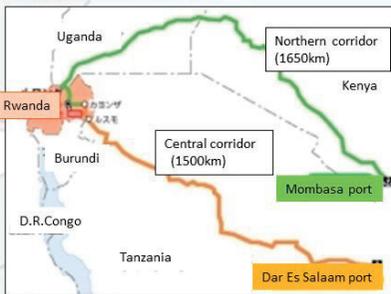


7 countries (3 landlocked countries)
189 million people
267 billion dollars (GDP)

15



Rwanda, as a handicapped country due to landlocked



https://www.mofa.go.jp/mofaj/gaiko/oda/mail/bn_405.html

- Though two international corridors to the gateway ports, more than 1500km away from Rwanda

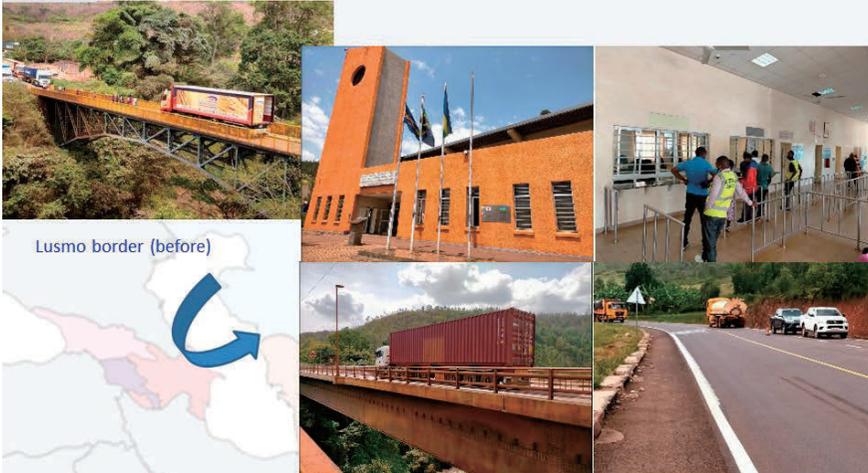
- Thus, transport cost accounts for 40% of import/export cost (About 12 % in Kenya, a coastal county)

Japan's government has been advocated "corridor development is keen for development of landlocked countries"

More detail:
https://www.jica.go.jp/TICAD/en/approach/special_report/news_2_20823_01.html

16

Improvement of Rwanda/Tanzania corridor



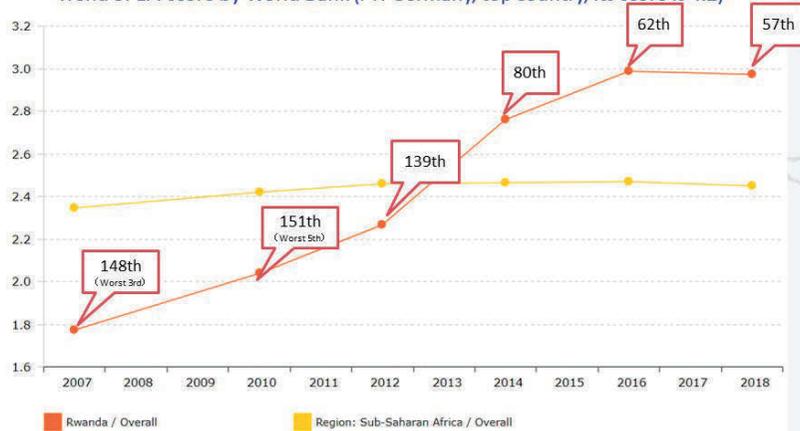
Lusmo border (before)

Border bridge (grant), custom clearance facilities (grant), trunk road (loan), facilitation of OSBP (TC) were conducted as harmonized manner.

17

Significant improvement

Trend of LPI score by World Bank (FYI Germany, top country, its score is 4.2)



- Significant improvement has been observed from 2007 to 2018 according to the LPI score (FYI, 1st : German(4.20), 5th : Japan(4.03), 39th : Vietnam (3.27), 47th : Turkey(3.15))
- “Doing Business 2020” says Rwanda as the second country followed Mauritius

18

Message

1. Common consensus and strong commitment among countries is top priority
2. Harmonized development among transport infrastructure, custom clearance procedures, laws and regulations, human resource development are indispensable
3. JICA is ready for support smooth connectivity among Central Asia and Caucuses countries

International Cooperation on Customs area

SASAKI Asuka

Senior Deputy Director
International Cooperation Division,
Customs Tariff Bureau, Ministry of Finance



Contents of the presentation

- ✓ **Objective of International Cooperation**
- ✓ **Implementation scheme of customs technical cooperation**

OBJECTIVE OF INTERNATIONAL COOPERATION

2



3

OBJECTIVE OF INTERNATIONAL COOPERATION

Growing the need for cooperation among customs around the world

>> The purpose is to realize trade facilitation and safe and secure society.

>> The needs for technical assistance is becoming more advanced and diverse.

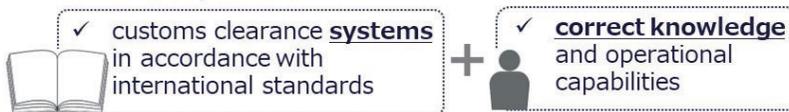
Necessity of dialogue with private sectors

4

OBJECTIVE OF INTERNATIONAL COOPERATION

Realize **“trade facilitation”, “safe and secure society”** and **“appropriate collection of Customs Duty and taxes”**

Each Country needs...



Technical Assistance on Customs area

5

IMPLEMENTATION SCHEME OF CUSTOMS TECHNICAL COOPERATION

6		
ACTIVITIES IN JAPAN		ACTIVITIES ABROAD
<ul style="list-style-type: none"> ✓ Workshop in Japan on specific needs 	ODA Activities by Japan Customs	<ul style="list-style-type: none"> ✓ Dispatch of experts of Japan Customs
<ul style="list-style-type: none"> ✓ WCO Regional Workshop in Japan ✓ WCO Scholarship program in Japan (Graduate schools) 	Contribution to WCO's Capacity Building Activities	<ul style="list-style-type: none"> ✓ Dispatch of experts of Japan Customs to Regional / National Workshops
<ul style="list-style-type: none"> ✓ Workshop in Japan on JICA Projects 	JICA Scheme	<ul style="list-style-type: none"> ✓ Dispatch of long-term or short-term experts of Japan Customs
<p><i>(Japan Customs has 37 WCO Accredited Experts for these activities.)</i></p>		
7		

WORKSHOP IN JAPAN (SAMPLE)

- **Duration :** 1-2 week(s)
- **Number of Participants :** About 10-15 officials
- **Subjects :** Customs Valuation, HS, PCA, Risk management, IPR, Rules of Origin, AEO, etc.
- **Venue :** Customs Training Institute, Customs, Central Customs Laboratory



		AM		PM		Venue	
	Sun	Arrive in Japan					
Day 1	Mon	Oriantation	Lecture	country report		Customs Training Institute	
Day 2	Tue	Lecture		Lecture		Customs Training Institute	
Day 3	Wed	Lecture		Field visit and Exercise		Customs	
Day 4	Thu	Lecture		Discussion		Customs	
Day 5	Fri	Making of Country Report		Presentation of Country Report	Evaluation meeting	Customs Training Institute	
	Sat	Depart from Japan					

8

WORKSHOP IN JAPAN for Central Asia and the Caucasus

Japan Customs welcomed 23 customs officials through 9 WS during 2019-2021.



WS cooperation with JICA (January 2022)



WS cooperation with JICA (February 2021)

9

DISPACH OF EXPERTS OF JAPAN CUSTOMS to Central Asia and the Caucasus

Japan Customs dispatched 6 of its officials
to 4 WS during 2015-2018.



WCO Sub-Regional WS on Post Clearance Audit
in Georgia (February 2015)



Bilateral technical cooperation on Customs
Laboratories in Azerbaijan (March 2019)

10

WCO/JICA Joint Project



Advantages

- ✓ WCO expertise, tools and instruments + JICA's experience and network
 - ✓ National good practice + International standards
- <<Japan Customs contributes the Project with its experience and knowledge

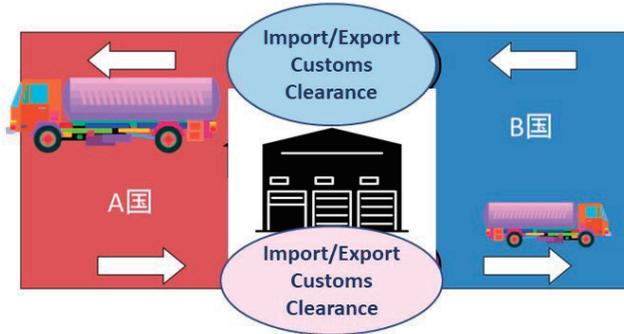
Project (2007 ~ on-going)

- ✓ OSBP(One Stop Border Post)
 - Africa
- ✓ MTP(Master Trainer Program) on Valuation, HS, etc.
 - East Africa (6 countries)
 - West Africa (8 countries)
 - South Africa (7 countries)
 - Pacific Islands (6 countries)

11

What is OSBP(One-Stop Border Post)?

The concept is to conduct border procedures including import/Export customs clearance **at ONE facility** at the border.

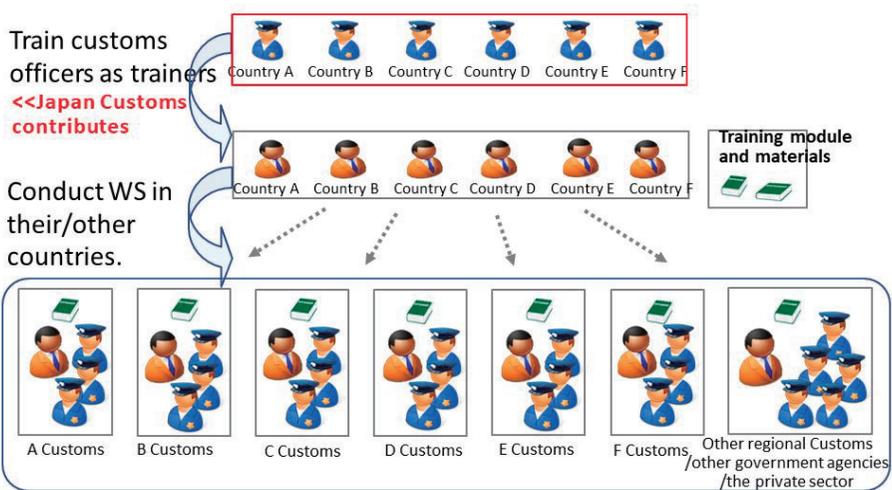


It enables to shorten the time required for customs clearance and contribute to trade facilitation.

12

What is MTP(Master Trainer Program)?

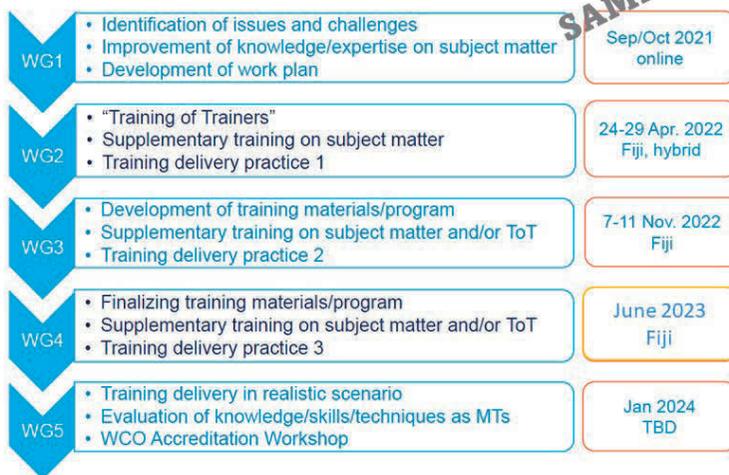
Development of Trainers, training module and materials



13

What is MTP(Master Trainer Program)?

Schedule in the case of Pacific Islands.



14

Statistics in Customs Technical Cooperation

Workshops in
Japan

21 countries
182 officials

Dispatch of Experts
of Japan Customs

24 countries
133 officials

(during 2021.4-2022.3)

15

Mr. OZEKI Makoto, Deputy General Manager, NVOCC Department, Nissin Corporation (Deputy Secretary General of Coordination Council on Trans Eurasian Transportation)

「中央アジア+日本」対話・第12回東京対話
「中央アジア・コーカサスとの連結性」
パネルディスカッション 1
「広域連携に向けた制度面での協調と人材育成」
パネリスト：尾関誠(株式会社日新)



「中央アジア・コーカサス地域の物流事情」

2023年3月15日
株式会社日新 海外事業部 & 複合輸送営業部

目次



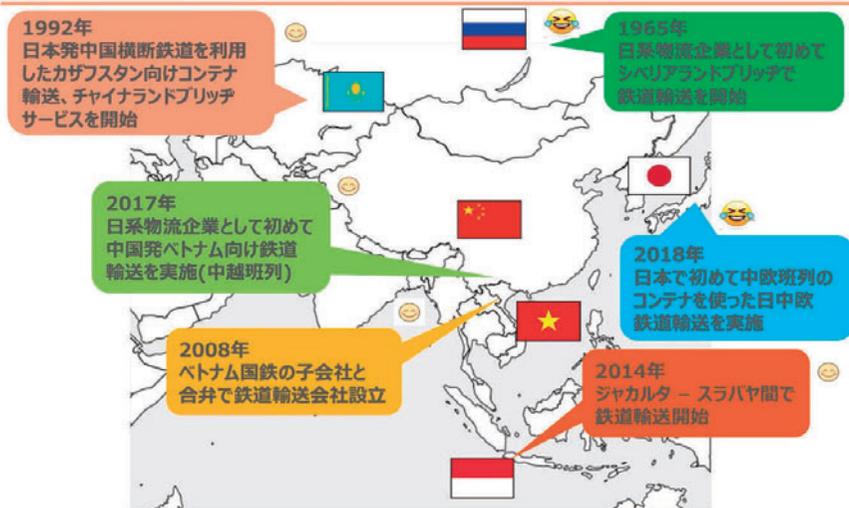
- i. 日新の鉄道事業
- ii. 「カスピ海ルート」が注目される理由
～欧州向け輸送ルートの選択肢～
～輸送ルートの選択基準～
- iii. 物流コスト(日本⇒中央アジア・コーカサス)
～運賃比較(日本発)～
～中央アジア・コーカサス向け輸送ルート～
- iv. 日本トランスユーラシア複合輸送業者協会

i .日新の鉄道事業

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3

i .日新の鉄道事業



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4

ii .「カスピ海ルート」が注目される理由

～欧州向け輸送ルートを選択肢～

～輸送ルートを選択基準～

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5

ii .カスピ海ルートが注目される理由



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6

～輸送ルートを選択基準～

(これまで..)

1. 運賃
2. トランジットタイム(定時性を含む)

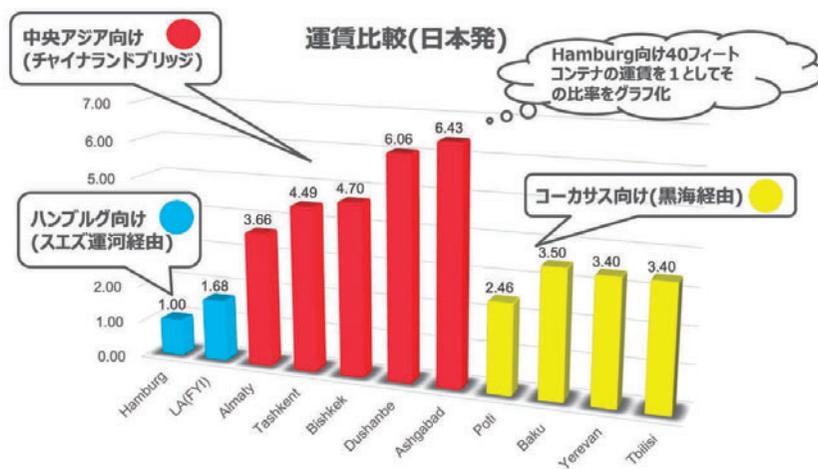


(これからは..)

3. 環境への配慮(鉄道輸送→“サス鉄ナブル”！)
4. BCP対応

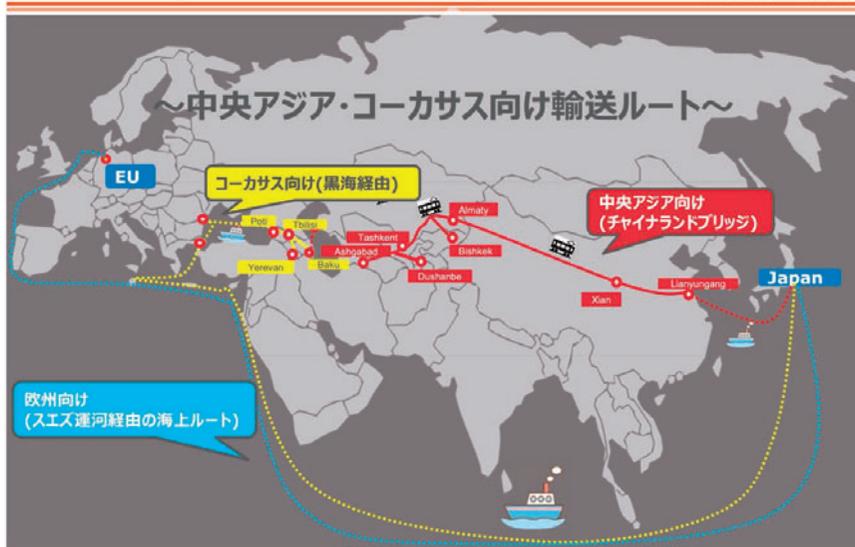
iii .物流コスト(日本⇒中央アジア・コーカサス)

iii. 物流コスト(日本⇒中央アジア・コーカサス)



出典) 当社作成に拠る資料(2023年3月1日現在のデータに基づいています。)

iii. 物流コスト(日本⇒中央アジア・コーカサス)



iv. 日本トランスユーラシア複合輸送業者協会 (Japan Trans-Eurasian Intermodal Operator's Association)

iv. 日本トランスユーラシア複合輸送業者協会

Members of JATIA (14 companies as of March, 2023)



東海運株式会社
AZUMA SHIPPING CO., LTD.



TOYO TRANS INC.
株式会社東洋トランス



株式会社日本トランス



伊勢湾海運株式会社



TRANS RUSSIA AGENCY JAPAN



日本トランスシティ株式会社



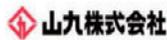
KAMIGUMI



株式会社 日新
NISSIN CORPORATION



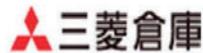
伏木海陸運送株式会社



山九株式会社



We Find the Way
日本通運
NIPPON EXPRESS



株式会社 日立物流バンテックフォワーディング

ご静聴有難う御座いました。



Mr. Fariz ALIYEV, Head of Transport Policy Department, Ministry of Digital Development and Transport, Azerbaijan



What we offer

Delivery of **Japanese cargo volumes**
to Europe **through the Middle Corridor**
at a **faster, safer and cheaper means!**

Middle Corridor

as an optimal solution (1)

Large proportion of the trade turnover between Europe and Asia is carried through maritime transport, although **Middle Corridor presents faster, cheaper and safer alternative:**



faster delivery

31 vs 38 days for Middle corridor and ocean shipping, respectively
4x shorter distance



stabler price

Fixed price for containers at \$3100 and 50% discount for backloading



safer route

no risk of piracy and no sanctioned/stable countries along the corridor

Middle Corridor

as an optimal solution (2)



Cooperative and **friendly relations** between corridor countries make transit procedure smooth



Continuous investments in logistics and transport infrastructure increase the transit capacity of corridor countries (next: Azerbaijan)

Why do we believe that this is a good option (1)

Railway

- Short-term demand for East-West-East railway transit via Middle Corridor is estimated **at 34 million tons p.a.**
- The demand for the East-West corridor is generated by Kazakhstan (12 Mt), China (8+ Mt), Uzbekistan (3 Mt) and Turkmenistan (2 Mt)
- The demand on the West-Eastern direction creates a potential to ensure up to **9 Mt of backload**
- Baku-Tbilisi-Kars railway annual turnover **is increasing gradually**. In 2022 it was approximately **412.37 thousand tons**



Why do we believe that this is a good option (2)

Maritime transport

- Azerbaijan Caspian Shipping Company (ASCO) owns the largest maritime fleet in the Caspian Sea with **54 ships**, including **13 ferries, 2 Ro-Ro ships, and 2 Ro-Pax ships**
- As sanctions against Iran limit transit capacity, Central Asian countries (Uzbekistan, Turkmenistan, Kyrgyzstan) move their goods **through the Caspian Sea** (the only route to the West)
- ASCO optimizes its transport-trade fleet by replacing old ships that have exceeded their service life with new ones to **maintain its market share** on the expanding Trans-Caspian transit routes



Why do we believe that this is a good option (3)

Port and FEZ

- Port has a capacity of ~15 million tons of cargo and 100 thousand TEU p.a and planned to increase by 25 million tons

- An additional 440 ha is allocated for Alat FTZ with future expansion to 2000 ha. Starting in 2023, the "Alat Free Trade Zone" will receive its first residents.



Coordinating Council of the Republic of Azerbaijan on Transit Freight (Council)

A prospective value proposition

The Transit Counsel is a unique and powerful tool available in our country.



The power of the Transit Council is based on 4 main steps:



1. Decision-making (legislative) authority

It is a structure that has an ability to make decisions on Customs, Border and other institutions related to transit.



2. Experienced team

The small and strong team that forms the secretariat of the Council, with a total of 50 years of local and international experience, can execute each project at a high level.



3. Strong leadership

The chairmanship by Mr. Minister ensures the right direction of development and the protection of the country's strategic interests.



4. Regulatory role without financial interest

As the only structure that includes all agencies related to customs, border and transit cargo transportation, it ensures that the interests of the state are always kept in the foreground.

Current bottlenecks

Key limitations are driven by Georgian ports and Baku-Tbilisi-Kars railway



Key facts



Georgia

- Shortage of locomotives
- Many terminals in Poti make it difficult to coordinate freight streams



Türkiye

Railroad capacity east of Kars is limited to **0,7 MT**, but cargo can be transferred via trucks

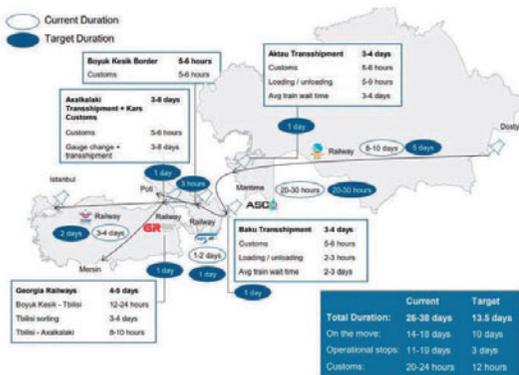
After debottlenecking...

Baku-Tbilisi-Kars route

The capacity can be **expanded to 3.5-5 MT** within 18-24 months from of **0.7 MT**.

Current bottlenecks (2)

Competitiveness of Azerbaijan route can be increased via operational improvements and reduction of time in transit



Identified bottlenecks

- ☆ High rolling stock utilization of Kazakhstan railways, which may require further investment
- ☆ Unexpected maritime delays **due to weather conditions** in Caspian
- ☆ Longer than expected transshipment process at both Aktau and Alat ports **due to low coordination** across operators
- ☆ **Lack of scheduled block trains** increasing required transit duration
- ☆ Mountainous region in Georgia
- ☆ Limited capacity of BTK with slower than usual transshipment process with coordination and train supply issues
- ☆ Limited capacity of Poti and Batumi ports
- ☆ Lack of coordination between customs authorities

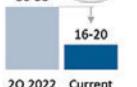
Cooperative and friendly relations between corridor countries

East-West transit potential in 2023 is presumed to increase by 15MT compared to 3.5 MT in 2021

Key areas of joint work	Main results achieved
 <p>Developing integrated transit product integrated control center, price and owner for transit within the corridor</p>	<p>Fixed prices for end clients and backloading discounts</p>
 <p>Implementation of operational improvements at complex junctions ports, terminals, etc.</p>	<p>Created an integrated control center for transit along three railways: Kazakhstan, Azerbaijan, and Georgia in Baku Launched regular container trains from Altynkol every Monday, Wednesday, and Friday Improved container delivery time from Kazakhstan to Georgia from 36-50 days to 16-20 days Fix price for containers (USD 3,100) and discount (50%) for backloading</p>
 <p>Debottlenecking of infrastructure purchase of locomotives and wagons, increase in the capacity of railway stations, etc.</p>	<p>Developed and implementing a roadmap for infrastructure debottlenecking</p>

Azerbaijan is running multiple initiatives that has shown strong operational results.

East-West transit potential in 2023 is presumed to increase by 15MT compared to 3.5 MT in 2021

Key areas	Initiatives	Main results achieved
 <p>Implementation of operational improvements at complex junctions ports, terminals, etc.</p>	<p>Launched an integrated operations control center in the Alat port (SUO) among shipping company, port and railway</p> <p>Launched a container block-trains initiative (KBPR) and an integrated transit planning within the corridor (SSP)</p>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="912 1043 1063 1159"> <p>+66.7%</p>  <p>60 100 2Q 2022 Current</p> </div> <div data-bbox="1090 1062 1227 1149"> <p>Number of containers shipped from the Alat port, units per day</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div data-bbox="912 1168 1063 1284"> <p>-60.0%</p>  <p>36-50 16-20 2Q 2022 Current</p> </div> <div data-bbox="1090 1168 1227 1255"> <p>Container delivery time from Kazakhstan to Georgia, days</p> </div> </div>
 <p>Debottlenecking of infrastructure purchase of locomotives and wagons, increase in the capacity of railway stations, etc.</p>	<p>Started implementing the transformation roadmap to increase transit volumes through Azerbaijan (next slide)</p>	<ul style="list-style-type: none"> Initiated the purchase of locomotives and railcars for Azerbaijan Railways Initiated project to increase capacity of the Alat port (berth refurbishment, terminal construction) Other operational and infrastructure improvement initiatives

Azerbaijan is running multiple initiatives that has shown strong operational results (1)
 Roadmap for the elimination of bottlenecks and the development of the Middle Corridor for 2022-2027

Key action area	Key actions
 Development of railway infrastructure	<ul style="list-style-type: none"> ▪ completion of the Georgian part of the Baku-Tbilisi-Kars railway line ▪ construction of the second tracks on the Dostyk-Molynty railway section ▪ construction of additional railway lines in the area of Alat port ▪ reconstruction of the electrification and signaling systems, rehabilitation of railway lines ▪ purchase of locomotives and wagons ▪ completion of the construction of Horadiz-Agband railway line in the liberated territories ▪ construction of Kars-Nakhchivan railway line
 Development of port infrastructure and maritime fleet	<ul style="list-style-type: none"> ▪ construction of a container terminal in Alat port ▪ dredging of the seabed in Alat and Aktau ports ▪ completing the construction of the grain terminals in Alat and Kuryk ports ▪ acquisition of new container cranes for Alat and Aktau ports ▪ construction of a container hub in Aktau port ▪ construction of 4 new ferries by 2027 to be operating on Kuryk-Alat route

Azerbaijan is running multiple initiatives that has shown strong operational results (2)
 Roadmap for the elimination of bottlenecks and the development of the Middle Corridor for 2022-2027

Key action area	Key actions
 Optimization	<ul style="list-style-type: none"> ▪ improvement of the unified operational procedures for the transportation through the corridor ▪ simplifying customs control procedures for containers in transit ▪ establishing a digital report on the location of container trains along the route in real time ▪ encouraging the liberalization of permit system for the transit transport of goods by road
 Digitalization	<ul style="list-style-type: none"> ▪ preparation of a concept for the creation of a unified digital transport corridor by the application of innovative technologies, including blockchain technologies ▪ digitalization of the passing system in railway transport ▪ application of e-permit system in international road transport

As long-term initiative, Azerbaijan in parallel working on diversification of Routes - Zangazur corridor.



Key facts

Historically Zangazur corridor had enough capacity to transport up to **15 million tons** per year

Horadiz-Agband is under construction, and further connection to Nakhchivan railways is under discussion

Zangazur corridor is an **additional route** to Türkiye

Implementation of the Zangazur corridor will **increase transit capacity** and make **delivery times more stable**

15



Mr. KAKAMURADOW, Yklym Mukymowic, Head of Department of Customs Statistics, State Customs Service, Turkmenistan



Государственная таможенная служба Туркменистана



Цифровизация таможенных процедур в Туркменистане

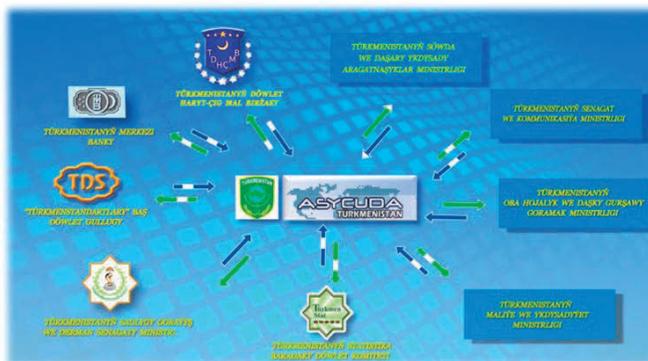




Цифровизация обозначена в качестве приоритета в решении системных вопросов в туркменской экономике. На государственном уровне были приняты Концепция развития цифровой экономики на период до 2025 года и Программа развития цифровой экономики в Туркменистане на 2021–2025 годы, которые представляют собой Дорожную карту технологической трансформации всех отраслей и государственного управления ими. В Государственной таможенной службе Туркменистана, как и в других областях, активно идёт цифровая трансформация.



Так, с 2020 года Государственной таможенной службой Туркменистана в соответствии с международными стандартами и передовой практикой внедрена автоматизированная система обработки таможенных данных – «ASYCUDA World».





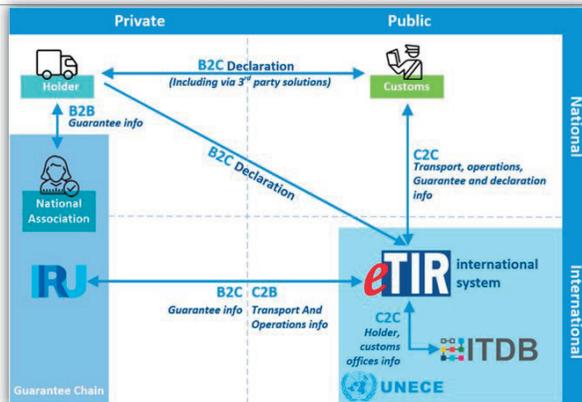
Система призвана обеспечивать благоприятные условия для торгового сообщества, продвижения экспорта и укрепления транзитного потенциала Туркменистана, повышению международных деловых и инвестиционных рейтингов страны, а также поддерживать участие Туркменистана в региональных инфраструктурных и интеграционных инициативах.



Согласно «Таможенной конвенции о международной перевозке грузов с применением книжки МДП» Государственная таможенная служба Туркменистана в сотрудничестве с Международным союзом автомобильного транспорта (IRU) внедрила систему TIR-EPD, по которой в онлайн-режиме поступает предварительная информация о товарах и транспортных средствах, направленных в Туркменистан и проходящих транзитом через территорию нашей страны.



Согласно Приложению 11 к «Таможенной конвенции о международной перевозке грузов с применением книжки МДП (1975)» в перспективе планируется подключение автоматизированной системы обработки таможенных данных к международной системе «e-TIR», которая позволит осуществлять безбумажные и бесконтактные операции по пересечению грузов через таможенную границу Туркменистана.



Государственная таможенная служба Туркменистана имеет международные договоры об обмене предварительными таможенными данными о товарах и транспортных средствах перемещаемые через таможенную границу с таможенными администрациями соседних стран.



Обмен предварительными таможенными данными имеет большое значение для упрощения таможенных процедур и ускорения перевозок товаров и транспортных средств через таможенную границу, а также развития транзитных коридоров, проходящих через наши страны.



Государственная таможенная служба Туркменистана для развития транзитных коридоров, проходящих через территорию страны, ведёт последовательную работу по дальнейшей цифровизации таможенных процедур с целью повышения конкурентоспособности транзитных коридоров и привлечения дополнительных транзитных грузопотоков. Принимаются меры по дальнейшему упрощению механизма таможенного контроля и ускорения таможенного оформления. С таможенными администрациями иностранных государств осуществляется обмен списками товаров, запрещённых и ограниченных к перемещению через таможенную границу. Также идёт обмен опытом работы в модернизации таможенных органов, в развитии инфраструктуры сухих портов и транзитных парков для МДП. Всё это направлено на то, чтобы путь через Туркменистан оставался привлекательным и удобным для грузоперевозок.



Благодарю за внимание!



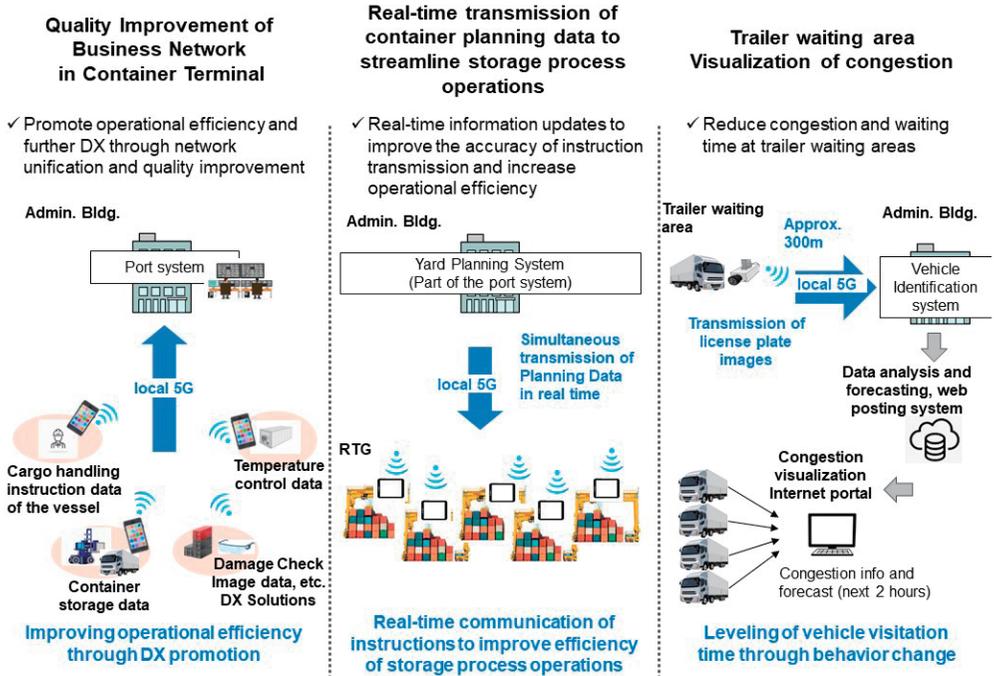
Mr. YAMAZAKI Kastunori, Director, Enterprise Business Department, Business and Marketing Division, Nippon Telegraph and Telephone (NTT) West Corporation

Ministry of Internal Affairs and Communications (MIC) "Development and Demonstration for Realization of Problem-Solving Local 5G, etc. in FY2022

Realization of DX at ports and container terminals through real-time transmission of container planning data, etc. using local 5G

Location	Osaka City (DICT: Dream Island Container Terminal)
Implementation Structure (Leading Organizations)	NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, Dream Island Container Terminal Co., LTD., Mitsubishi Logisnext Co., Ltd., Osaka City, Kobe-Osaka International Port Corporation, KYOCERA Communication Systems Co., Ltd., NTT business Solutions
Project Overview	<p>Port business is becoming increasingly important due to the globalization of the supply chain. There are issues:</p> <ul style="list-style-type: none"> - lengthening of loading and unloading times due to the increasing large container ships - worsening of vehicle congestion in front of container terminal gates - shortage of labor due to the aging of the workforce <p>➢ Constructed a local 5G environment in the port area to demonstrate higher quality of the business network in the container terminal, improved efficiency of storage process operations through real-time transmission of container planning data*, and visualization of congestion in the trailer waiting area.</p> <p>➢ Realization of smart ports through streamlining port operations and improving productivity through digital transformation.</p>
Technical Demonstration	<p>➢ Refinement of radio propagation models at container terminals, focusing on radio shielding such as containers and the proportion of sea surface in the radio propagation path.</p> <p>➢ Frequency: 4.8-4.9 GHz band (100 MHz)</p> <p>➢ Configuration: SA method</p> <p>➢ Usage environment: Outdoor</p>

*A work plan developed in advance by port operators for efficient loading and unloading of containers from container vessels.



Mr. YASUI Tadashi, Head, External Relations, World Customs Organization (WCO)
 Mr. FUJIMITSU Motohiro, Manager, WCO/JICA Joint Project, Capacity Building Directorate



World Customs Organization

Trend of digitalization in rail transportation on the “Trans-Caspian Int’l Transport Route” and efforts by WCO

Tadashi Yasui

Head, External Relations

Motohiro Fujimitsu

Manager,
WCO/JICA Joint Project
Capacity Building Directorate

12th Tokyo Dialogue of the
“Central Asia plus Japan”
“Connectivity with Central Asia
and Caucasus”

15 March 2023

www.wcoomd.org

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World Customs Organization (WCO)



- International organization on Customs
- Established in 1952; H.Q. in Brussels, Belgium
- 185 Members (including all Middle Corridor countries)
- Secretary General: Dr. Kunio Mikuriya (Japan)
- Three core functions:



- The development of global standards
- Customs cooperation
- Capacity building activities
 - ✓ WCO/JICA Joint Project
 - ✓ Sida-WCO Trade Facilitation and Customs Modernization Programme, etc.



HS convention
(in effect 1988)



Revised Kyoto Convention: RKC (in effect 2006)

www.wcoomd.org ← WCO official website

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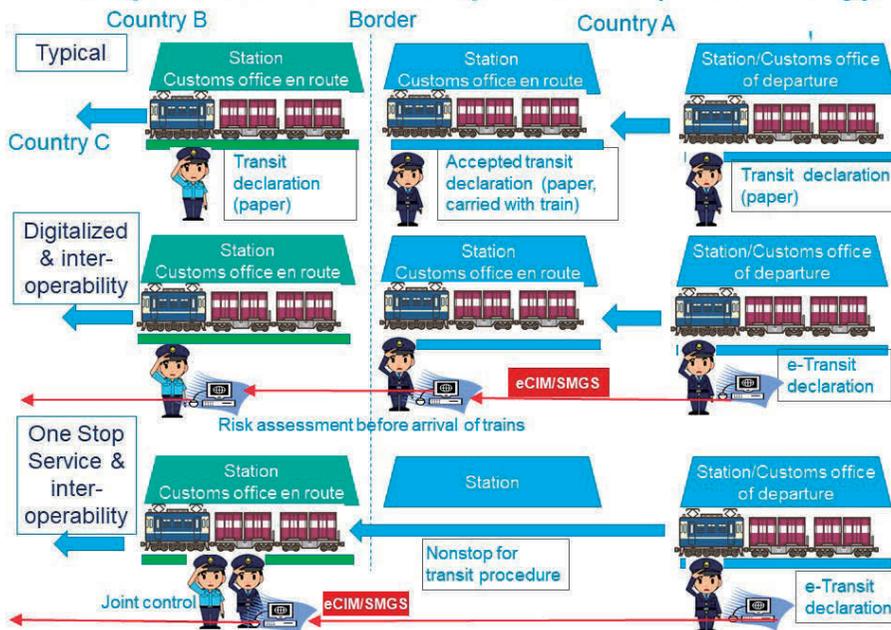
Transport on the corridor is the succession of Customs Transit (by rail):

- No duty payment. So, if goods disappear en route, it's smuggling.
- Customs needs to know what kind of goods how many/how much of goods entered in the territory for transit. To this end, transit declaration is submitted to Customs, (then Customs permits transit.)
- Customs needs to check goods leaving its territory are intact at Customs office of departure, based on information in transit declaration and physical checks if necessary.

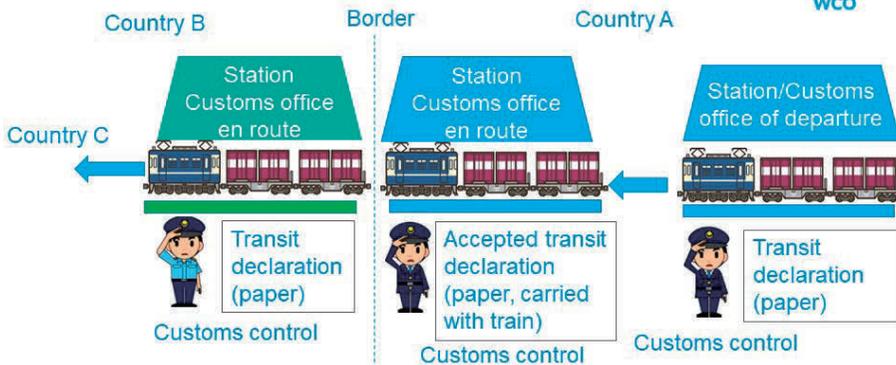
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Development of rail transit procedure (in summary)



Typical rail transit procedure

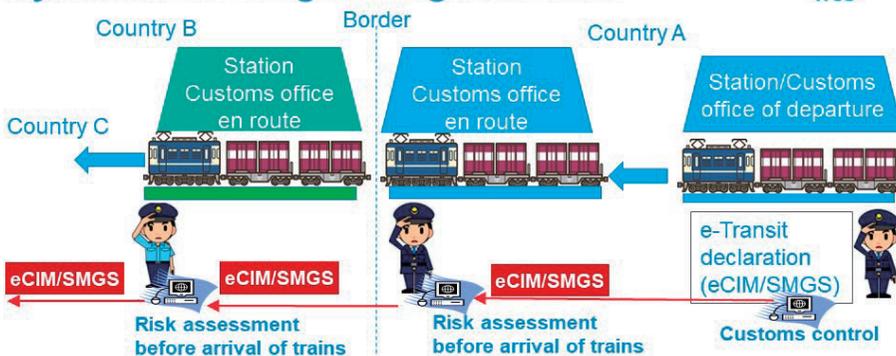


- Almost same procedures in both sides of the border
- Customs checks transit goods comparing them with accepted transit declaration.
- When it is paper-based declaration → difficult/impossible for Customs to analyze risk management before arrival.

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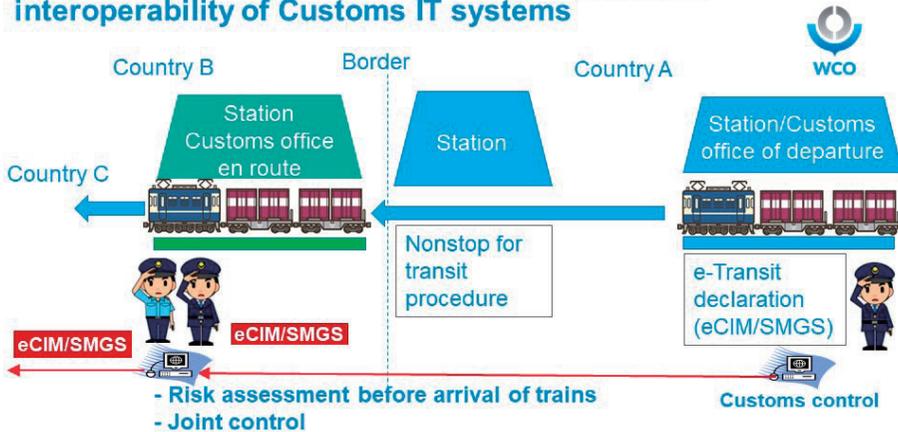
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Rail transit procedure with digitalized transit declaration & interoperability of Customs IT systems with neighboring countries



- Since Customs receives information on transit declaration before the arrival of trains, Customs can analyze risk before the trains arrive → Reduction in time.
- If the results of Customs control are shared with adjacent country's Customs office → Further reduction in time
- Electronic transit declaration itself has already started in many points on the middle corridor.
- (Still almost same procedures at both sides of the border.)

Rail transit procedure with **One Stop Service** and interoperability of Customs IT systems



- Customs officers of both countries are at the same station to jointly conduct Customs control, realizing one stop service for transit procedures → Further reduction in time and burden on the transport sector.
- To this end, need an agreement for Customs officers of country A to be able to work in the adjacent country B.
- (To digitalize other documents such as invoices and share them → Digital platform / Interoperability of Single Windows.)

Efforts for further facilitation of rail Transit: Findings at WCO Global Railway Workshop (Oct. 2020)

Two major international organizations on rail transport



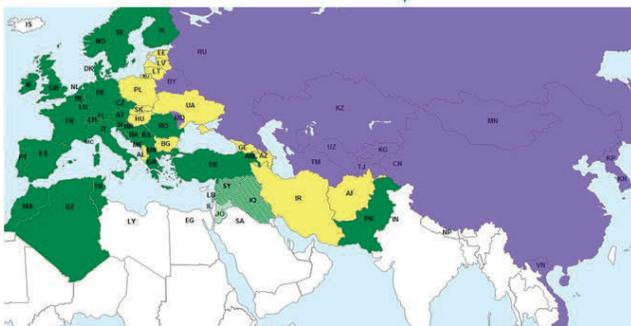
OTIF

Transport document: CIM



ORGANISATION FOR CO-OPERATION BETWEEN RAILWAYS (OSJD)

Transport document: SMGS



Source: presentation by CIT (International Rail Transport Committee) at WCO Global Railway Workshop in Oct. 2020

- WCO has MOU with OTIF and OSJD
- Specific Annex E of RKC stipulates the use of transport/ commercial documents as transit declaration, if documents meet Customs requirements.
- It seems all Customs administrations on the corridor accept CIM and/or SMGS as transit declaration (at the timing of WCO Global WS)

Efforts for further facilitation of rail Transit: Findings at WCO Global Railway Workshop (Oct. 2020)



- CIT (International Rail Transport Committee) already developed common CIM/SMGS
- e-CIM/SMGS was also developed in 2019; but not used (as of June 2022) → **Need a pilot.**
- Most CIM railways use XML, while OSJD side uses EDIFACT → **need a converter to exchange CIM/SMGS data.**
- Savings in time by e-CIM/SMGS: 40 minutes per wagon, 8 to 10 hours per train (by CIT at WCO Global Workshop in Oct 2020).



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WCO Railway Guidance (2022)

<https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/railway-guidance/railway-guidance.pdf?db=web>



1. Electronic Customs transit
 - a. **Electronic transit declaration**
 - b. **Use of pre-arrival Advance Electronic Data (AED)**
2. Customs control in railway transportation
 - a. **Use of risk management based on data**
 - b. **Utilizing technologies, including non-intrusive inspection equipment**
 - c. **Using electronic seals**
3. Railway postal procedures
4. Passenger controls (Use of passenger data such as API/PNR)
5. Cooperation with the private sector and other governmental agencies
6. Cooperation among Customs administrations

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Efforts for further facilitation of rail Transit: WCO and more.



- OTIF & OSJD & CIT & TRACECA
- The Awaza Summary Statement of the Ministerial Transport Conference of Landlocked Developing Countries in Aug. 2022, Turkmenistan (UN-OHRLLS) : *“ICT connectivity were also crucial for increased efficiency in transport and transit systems in LLDCs.”*
- Samarkand declaration in Nov. 2022 (9th Summit of Organization of Turkic States): *“prioritize increasing investments for ensuring intra-regional connectivity with well-developed and interconnected hard and soft transport infrastructure projects”*
- Customs Heads Meeting on Project for simplifying transit customs procedure along the Trans-Caspian International “East-West” Middle Corridor using “Single Window” principle, **15 Mar. 2023**, Baku, Azerbaijan (WCO attends)

Examples of related WCO CB/TA programs



- **WCO/JICA Joint Project**
 - Africa and the Pacific Islands
 - Master Trainer Programme (MTP)
 - 150 Master Trainers (MTs) on Risk Management/Intelligence Analysis, HS, etc. by July 2021 in Africa → MTs trained more than 43,000 staff of governments and the private sector (2018 - June 2022)
 - One Stop Border Posts (OSBPs), Joint controls, etc,
- **Sida-WCO Trade Facilitation and Customs Modernization Programme**
 - East and Southern Africa
 - Interoperability of Customs IT systems/ Single Windows
 - Time Release Study (TRS), etc.



Borders divide, Customs connects

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