

Russia–Japan Partnership: Fulfilling Eurasia’s Transit Potential

The Asia-Pacific region plays an important role in Russia’s geopolitical strategy. Experts believe that developing global transit initiatives is promising for realizing Russia’s potential in this region. Resolving this problem in cooperation with Japan will create benefits for both countries.

Russian Railways Director for Commercial Activities Alexey Shilo spoke about how Russia’s cooperation with Japanese partners is being built at the panel session ‘Russia–Japan Partnership: Fulfilling Eurasia’s Transit Potential’ during the EEF 2018.

He noted that roughly 169,000 tonnes of cargo are currently transported from Japan, and there is great potential for growth in this figure. “Over the past five years, Russian Railways has invested more than RUB 300 billion in infrastructure projects of the Baikal–Amur Mainline and Trans-Siberian Railway and would like to use this infrastructure to increase Japanese cargo transportation”, Shilo said. “Our Japanese partners have an insistence on high standards: they need stability, reliability, and a high level of security. And if we manage to offer them a high level of service, it will produce good results”.

Russian Railways is implementing a number of projects that will significantly enhance the appeal of the Trans-Siberian Railway for the transit of Japanese cargo. In particular, the ‘Trans-Siberian in 7 days’ transport product that has been introduced to the market is a Russian Railways brand. Now, transport conditions have been optimized on the Trans-Siberian Railway, the company is offering additional tariff preferences (‘higher volume – lower tariff’), the level of cargo delivery reliability is 98%, and the level of security is higher than that of its foreign partners. The ‘Protected Train’ project is being implemented with the use of GLONASS and GPS satellite tracking systems, which makes it possible to track cargo online. Pilot test shipments equipped with sensors are being made from Japan. The route speed is around 1,000–1,050 km per day.

Two of the discussion participants, Toyo Trans Inc. President Isao Takahashi and Nomura Research Institute Ltd Senior Managing Director Hisao Nakajima, confirmed in their speeches that Japanese businessmen want reliability, stability, and high speed in transportation. Mr. Takahashi cited the following example: it takes 50 days for a container from Yokohama to reach Central Europe using the traditional sea route.

Shipping he contained via the Trans-Siberian Railway would almost cut the delivery time in half. “The Japanese consignor needs stable supplies and digital services that meet international standards, reduced storage costs, the ability to transport bulky goods, and prefabricated platforms that small and medium-sized businesses could use”.

Commenting on “seamless infrastructure”, Mr. Nakajima cited a promising project to create a transport crossing from Sakhalin to Hokkaido to connect Japan with continental Russia and Europe. He said such a project would be a real breakthrough in the development of Euro-Asian communications and serve as a window to the Asia-Pacific region.