



DHL Global Forwarding

China “Belt and Road” Initiative and Logistics Solutions

Latvian Railway annual international transport and logistics conference

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CHINA'S "BELT AND ROAD" INITIATIVE

"Belt and Road" is an initiative by the Chinese government aimed at reviving the historic Silk Road between China, Europe and the Middle East.



"Belt" refers to the Silk Road Economic Belt, which passes overland from China through Central Asia to Continental Europe.

- Silk Road Economic Belt
- Maritime Silk Road

"Road" refers to the Maritime Silk Road, an oceanic route connecting China to Europe and South-East Asia by way of ports in India and Africa.

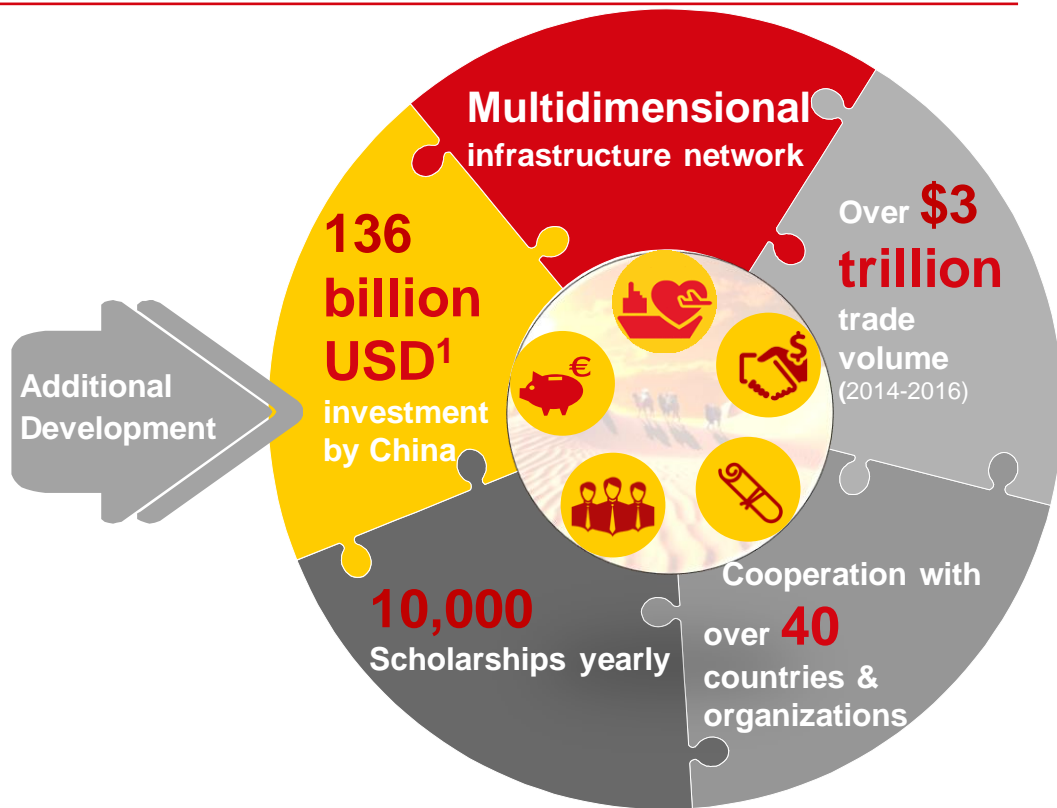
WHY DOES IT MATTER

A strong facilitator to enhance economy and culture communication between Asia, Africa and Western regions

 **4.4 billion** of the global population

 **21 trillion** of the World output

 **50 countries** Connectivity



WHY RAIL



Rail Freight can reach much faster door-door transit times than Ocean Freight and increase speed to market.



Rail Freight is considerably cheaper compared to Air Freight.



Rail Freight Emissions are similar to Ocean Freight Emissions and have a significant ecological advantage compared to Air Freight.



DHL COOPERATIONS (MOU)



Now

MOU Latvijas dzelzceļš (LDZ), Latvia's state rail company



2008-2011

First multimodal contract with FELB, a subsidiary of Russian rail firm RZD Logistics



2014

Strategic partnership with the United Transport and Logistics Company



2015

MOU with Kazakhstan Temir Zholy (KTZ) Express



2015

Strategic partnership with Belarus Railway and Transport Ministry



2016

MOU with Azerbaijan Railways



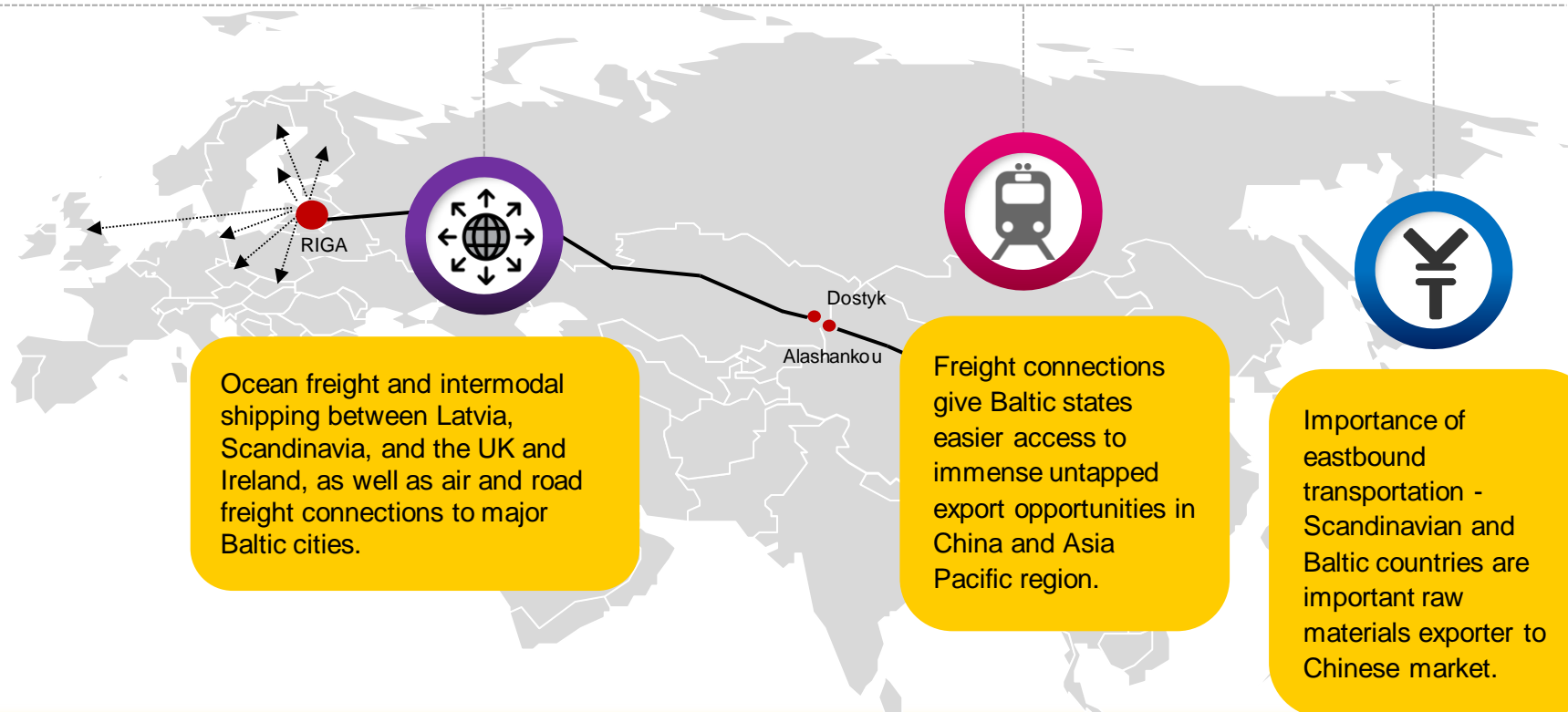
2016

MOU with Chengdu Gateway Logistics Office

DHL SERVICE ALONG “BELT AND ROAD”



WHAT IS NEW – RIGA



CONNECTING BALTIC AND NORDIC REGION

T/T between Riga and

Hamburg – 3 days

Rotterdam – 4 days

Thamesport (London) – 5-7 days

Gdansk – 1.5 days

Rostock – 2 days

South Sweden – 1.5 days

T/T to Riga from

Arhus – 4 days

Helsinki – 1-2 days

T/T between Ventspils and

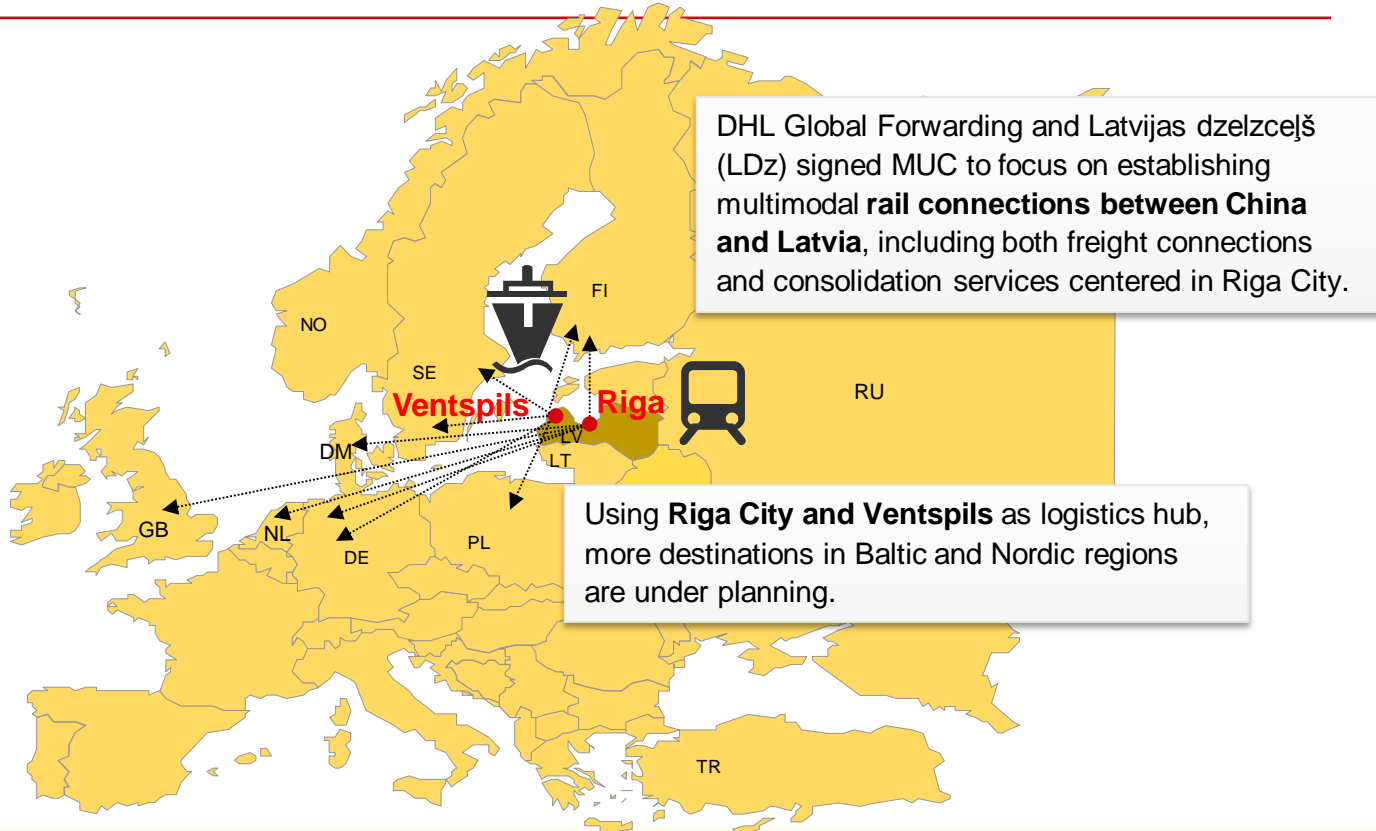
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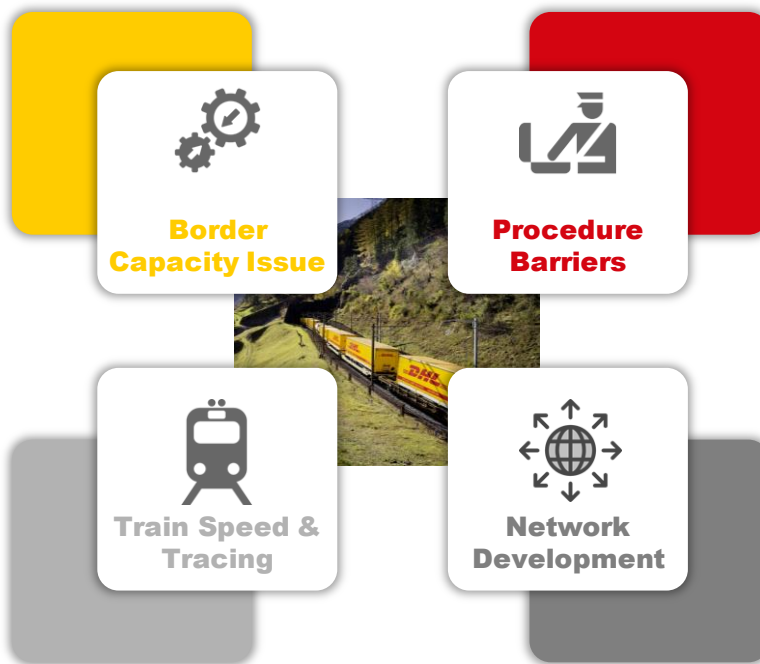
Kotka – 1 days



CHALLENGES

- ▶ Border capacity don't keep up with rapid expansion of BRI (Belt & Road Initiative) rail services and cargo volume
- ▶ Lack of infrastructure at alternative borders
- ▶ Idling time and delays

- ▶ Constant speed improvement is expected by the market
- ▶ Average cargo train speed is lowest in the EU
- ▶ No EDI / IT solutions to provide 24/7 cargo tracking on container level for public



- ▶ Customs document translation to many languages
- ▶ HS code verification and conversion
- ▶ Customs offices don't work 24/7

- ▶ Less departures from European borders to European hubs
- ▶ Platform / wagon shortage during 1520 / 1435 trans-loading
- ▶ Track renovation in Europe causing disruptions
- ▶ Reefer container handling

WHY DHL RAIL



The extensive rail knowledge and experience means that you partner with a market leader.



**Exceptional
Network Reach**

We strategically develop our network and support customer and supplier needs.



**Innovation
and Flexibility**

We anticipate market needs and drive developments and industry standards.



SHORT-TERM TARGET

2018



2019

Can we achieve 9 days station to station stable rail transit time between China and Europe ?

Transit Time Improvement

- China-Dostyk 2.5 days
1,400 km/day
- CN-KZ border 0.5 days
- Dostyk-Mala 3.9 days
1,400 km/day
- BY-PL border 0.5 days
- Mala-Germany 1,6 days
750 km/day

TOTAL 9 DAYS

BY-PL railway border crossings

- **Brest - Małaszewicze**
- Hrodna – Kuźnica
Białostocka
- Svislač – Siemianówka
- Vysoka-Litovsk
(Vysokaje) – Czeremcha

Customs documentation & Unified IT system

- One IT system covering Chinese, Russian & English documents & different HS Codes definitions to simplify customs process

Terminal Network

- Connected terminal network covering China, Kazakhstan, Russia, Belarus & EU

SUMMARY

- Road and Belt is giving **extra power** to boost up world wide economy
- DHL is committing to become **pioneer** to create proper logistic infrastructure along the road and belt policy
- DHL is creating **sustainable solutions** with respective countries transport / railway ministries to bring customer voice to respective countries transportation management
- Current challenges need to be examined carefully
- **Proper capacity planning** need to be done
- **Connected** custom system and terminals concept should be developed



THANK YOU

