

The Role of Georgian Railway for European Integration of Georgia

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Abstract: Lately the world political and economic panorama has changed sharply. Georgia became a member of the European Council, and has entered in WTO. The direction of ways to integration in the European Union has been taken. One of the most important results of the change is the huge project of the European Union "The New Silk Route, TRACECA". TRACECA has a very important political and economic function. It has cleared the way for Georgia to European integration.

One of the main roles of TRACECA functioning belongs to Georgian Railway. Long-distance trains connect Asia with Europe via Transport Corridor Europe - Caucasus - Asia. Georgia returns to its global historical role; it becomes a connecting crossroads of the West with the East. For the nearest future the connection between Georgia and Europe via Turkey by the new railway route Kars (Turkey) – Akhalkalaki (Georgia) will become important. The integration of Georgia into European transport infrastructure and policy will continue successfully. This article introduced the main aspects of TRACECA, Georgian Railway and Kars–Akhalkalaki route and their economic role for European integration of Georgia.

Introduction

The political and economic maps of Europe and Asia have changed sharply in recent years. Georgia is now a member of the European Council and World Trade Organization as the first step in becoming an EU member state. One of the most important results of the changes in Central Europe of significant importance to Georgia is the huge EU project - Transport Corridor Europe-Caucasus-Asia (TRACECA), which connects Central Asia with Europe by a continuous unbroken railway. The project will put Georgia and the Caucasus at the political and economic crossroads between East and West, and the northern and southern countries of Eurasia.

Georgia has returned to its global historical role; it has become a connecting crossroads of the West with the East, and, in nearest future, the North with the South, which is one of the important contributing factor on the Georgian way to European integration

Outline of Traceca and Georgian Railway

At present, most trade between Europe and the Far East uses the maritime route through the Suez Canal into the Indian Ocean and then through the Malacca Strait. Land routes to Pakistan, India, Thailand, Cambodia, and Viet Nam are obstructed by natural barriers like the Himalayan and Tien-Shan mountains, so most international trade with these countries is by sea as well, although Pakistan and India have extensive railway networks. Almost all freight in Afghanistan is carried by trucks because there is little functioning railway due to the unstable political situation, but there are rail links with railways in Pakistan, Iran, Turkmenistan, and Uzbekistan. Iran is connected to Europe

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via ports on the Persian Gulf and by rail via Azerbaijan, Russia, Ukraine, and Belarus. There is also a rail connection via Turkey, but the two water barriers at the Bosphorus and lake van can only be passed by ferry. Most rail freight to the east travels via Poland, Belarus, and then through Russia from Moscow on the Trans-Siberian Railroad.

Maritime transport between Europe and Asia offers a great many advantages over present land routes, including:

- Less risk of loss or damage to cargo
- Fewer Customs procedures and lower handling fees
- Regular and reliable shipping schedules

However, maritime transport is dependant on weather conditions and some 230 vessels and 1000 crew are lost each year. The greatest losses (46 %) are for general cargoes.

The most economical speed for large container vessels is about 16 knots or 30 km/h (720 km/day). This would seem a disadvantage compared to an average speed of 37 km/h for some freight trains on some potential TRACECA sections, but the average speed of freight trains on long sections is just 12 km/h. Even on good freight lines in Western Europe, the average speed is only 14 km/h. To improve the competitive ability of rail, one aim of TRACECA is to rehabilitate existing track infrastructure to achieve average speeds of 30 km/h over long distances for loaded wagons, and 90 km/h for empty wagons. One reason why average speed drops so low is the long waiting times at the many Customs posts and border crossings in the region. If the political will existed, this could be solved easily by adopting simplified procedures. A more difficult problem to solve is the change of gauge between some countries such as Ukraine and Russia, Kazakhstan and China, Azerbaijan and Iran. TRACECA hopes to overcome this by promoting new technologies and the free gauge system developed in Japan.

If these problems can be overcome, rail could be a more economic and faster means of international freight transport than sea, and a more ecologically friendly means of carrying domestic freight than trucks.

When TRACECA is completed, a continuous railway line will follow part of the ancient Silk Road from the Chinese port of Lianyungang on the Yellow Sea to the Georgian ports of Poti and Batumi on the Black Sea and then on into western Europe. Some years later "a transport delta" will be created on the Georgian coast of the Black Sea with ferry connections to new ports at Supsa, Kulevi, Anaklia, Ochamchira, and Sukhumi, linking the countries of CIS into a truly trans-Eurasian transport infrastructure.

One of the main roles of TRACECA functioning belongs to Georgian Railway. For the nearest future the connection between Georgia and Europe via Turkey by the new railway route Kars – Akhalkalaki will develop. The integration of Georgia into European transport infrastructure and policy will continue successfully. Table 1 shows increasing quantity of cargo transported by Georgian Railway from Asia to Europe and vice versa, which makes tangible ground for European integration.

In addition, TRACECA has offered the opportunity to construct oil pipelines Baku-Supsa, Baku-Tbilisi-Ceyhan and gas pipeline – another strong factor for political and economic stabilization of Georgia that is essential for European integration. Actually, the ancient Silk Road has been restored.

Restoration of Silk Road

The South Caucasus was part of an ancient trade route as early as 2000 B.C. During the Greek Empire around 750 B.C., Kolkheti on the Black Sea was a trading center on a route starting in India and running across the Caspian Sea, along the River Kura, through the Surami Pass and along the River Rioni to Phasis (Poti) on the Black Sea and then via the Bosphorus to the Mediterranean countries. Some time around 200 B.C., trade caravans carrying silks and other precious commodities started making their way from Xi'an in China through the countries of central Asia to the Black Sea following a route that was to become known as the Silk Road. In fact, the Silk Road did not follow a single route but split into northerly and southerly paths at Dunhuang in the Vigur Autonomous Region. The north route crossed Lake Lop Nur, Kashgar, Khorasm, the South Caucasus and then through Iberia (Georgia) to Byzantium and Rome. Control of the valuable trade was the cause of many wars between Rome and Byzantium with regional countries like Parthia and Persia. The route was even considered a state secret in Parthia. Later, the route came under the successive control of Arabs and Mongols in the eighth to tenth centuries.

In addition to trade, the road promoted cultural and other exchanges between East and West. Discoveries like glass, and religions like Buddhism, Islam, Judaism and Christianity, were spread throughout the region. Ancient Greek books tell us that over 70 languages could be heard spoken in Dioscuria. The Road also carried the armies and ambassadors of Rome and other empires. Chinese manuscripts telling about arrival of Roman ambassadors from Emperor Marcus Aurelius in 166 A.D.

The Southern Caucasus, and especially the Darialpass, had great strategic importance in controlling north-south movements and the passage to India. However, the discovery of a quicker and safer route to the Spice Islands and Asia around the Cape of Good Hope in the late fifteenth century by European explorers soon led to a decline of the importance of the Silk Road in east-west trade.

The restoration of the Silk Road was started at 1990 at the Vladivostok International Conference. This idea of creating an open political and economic zone between the countries of Eurasia found widespread acclaim in all countries of central Asia, the EU, and Turkey and was enthusiastically supported by Azerbaijan. It was given concrete form by the creation of the TRACECA project, which is backed by some of the world's most influential countries and international and regional organizations. But the project is not just to establish an unbroken trade route between China and Amsterdam; it is also seen as a part of a future world strategic, economic, and cultural plan.

Main Goals of Traceca

In May 1993, a conference marking the start of the TRACECA project was held in Brussels between the EU member states, the central Asian states of Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan, and the Southern Caucasus states of Georgia, Azerbaijan, and Armenia. As the first step, the conference proposed creating an unbroken rail corridor from western Europe to China via the Black Sea, South Caucasus, Caspian Sea, and Central Asia, to be financed as a global EU strategy with four goals:

- Strengthening the political and economic sovereignty of CIS countries in the TRACECA region to enable their effective participation in the world economy.
- Supporting regional cooperation between TRACECA countries.
- Promoting regional investment by international and private financial resources.
- Linking the Eurasian transport corridor with European and world transport systems.

In particular, TRACECA declared its intent to create new transport demand that will generate new profit centers for all interested countries. The first investors to join the project were the European Bank for Reconstruction and Development, and the World Bank, The Islam Development Bank, and the Asian Development Bank.

In addition, various other supporting measures have been adopted by other nations. The US Congress approved the Silk Road Strategy Act in July 1999 with the aim of ensuring the strength, independence, economic viability and political sovereignty of the Caspian Sea and South Caucasus by developing an open market economy, protecting human rights, assisting regional economic integration, and solving regional conflicts. The Act facilitates US investment in TRACECA countries for development of infrastructure, border controls, etc.

The Japanese government has developed a special program for reviving the silk Road trade route. In April 1999, Georgian and Japanese governments issued a joint statement expressing the intent of the Japans government to intensify diplomatic effort with states along the Silk Road. The Statement also implied promotion of political dialogue and intensified cultural contacts and economic cooperation. The Japanese Minister of Foreign Affairs called restoration of the Silk Road a heartfelt desire on the Japanese side. The success of the various TRACECA projects also depends heavily on the transport policy of the organization of Railways Cooperation (ORC), which includes Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Poland, Romania, Uzbekistan, Ukraine, Bulgaria, Tajikistan, and Turkmenistan. The purpose of ORC's transport policy is the definition of the route, research on conformity of basic track parameters to international standards, definition of problems of development and functioning, development of measures to increase competitiveness of railway transport, attraction of new demand, etc.

An agreement on regulation of transit traffic signed by Georgia, Azerbaijan, Turkmenistan and Uzbekistan in 1996 and joined later by Ukraine, Romania, Bulgaria, Armenia, Kyrgyzstan and Tajikistan, goes a long way towards coordinating railway business activities. It was the first example of legislative changes towards promoting the project. This was followed in September 1997 when the Georgia Parliament accepted the decision on supporting conformity with EU legislation. As a result, all relevant Georgian laws and acts passed since 1 September 1998 are in compliance with EU standards. It is no exaggeration to say that the president of Georgia, Michael Saakashvili, pays great attention to the TRACECA projects, including development of Georgian Railway.

Other Results

Another aim of the TRACECA project is to assist the development of the Interstate Oil and Gas Transport to Europe (INOGATE) program. INOGATE will rehabilitate oil and gas pipelines in central Asia, the Caucasus, Ukraine, Belarus, and Moldova to carry oil and gas from the Caspian Sea region to Central and Eastern Europe.

The TRACECA project is also related to Trans-European North-South Motorway and North-South Railway corridor between Gdansk and Odessa, coordinated by the transport ministers of Ukraine and Poland. These two projects will ensure optimum transportation between the Baltic countries (Poland, Germany, Scandinavia) and near-eastern countries of the Black Sea. The TRACECA line is a natural continuation the Gdansk-Odessa and Crete Corridors, ensuring good connections with the countries of the Caucasus and central Asia.

The TRACECA project has also been recognized by the organization of Economic Cooperation of the Countries of the Asia and the Pacific and construction of a new line between Kurda and Osh via Kashgar will shorten the route between Lianyungang and Rotterdam by 1100 km.

In the long term, when the Ürümqi-Kashgar and Kashgar-Jallal-Abad sections are completed, the new TRACECA Silk Road Railway will be the shortest and quickest way from China and the Persian Gulf. We have to take into consideration the new opportunities of regional development by construction of the Tbilisi-Kars section.

Tabl. 1. Volume of cargo transportation by "Georgian Railway" Ltd, mln. tn.

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 prognosis
Total	2.6	4.8	7.2	8.5	9.5	11.5	13.2	15.0	16.6	15.4	18.9	22.0
Transit i.e TRACECA route	0	0	3.2	5.5	6.8	8.5	10.1	11.4	12.3	10.7	13.5	17.0
% of Transit	0	0	44	65	72	74	76	76	74	69	71	77

