TRANSPORT CORRIDORS AS THE BASIS FOR INCREASING THE COMPETITIVENESS OF RAIL TRANSPORT

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Abstract: Issues of transport, economic relations and the development of transport communications, providing acceleration of goods flows and trade exchange between the countries of Europe, Russia and Asia were first staged in the mid 80-ies of the XX century. On the initiative of the inland transport Committee of the economic Commission for Europe United Nations (ITC UNECE) a study of traffic flows between the Nordic countries and southern Europe was conducted to analyze the development of multimodal transport in this area, i.e. the transportation involving several modes of transport on the basis of a single transport-technological process. There is no doubt that transport communications of Russia can be effectively integrated into the Eurasian transport system, built on the basis of international transport corridors. This conclusion is based on the analysis of the Russian Federation railway transport system, where a significant growth of activity volumes and innovation has been most recently recorded.

The economic situation developed in the Russian Federation in the last 10-20 years, required reforming the control system of the transport complex. The success of the present reforms totally depends on how well the authorities at all levels realize the strategic significance of railway transport under new conditions, mainly the fact that it is the basis for developing and functioning of both the transport system and Russia’s economy at a whole. Besides, the railway transport is socially important which also effects stage-by-stage market transformations. [1]

The necessity of effective transport for Russia resulted in working out a federal purpose-oriented programme «Modernization of Russian’s transport system till 2030». The Program purpose is to improve equation, efficiency and safety of the transport system ensuring the vital national interests.

Problems of the development of competition and competitiveness have been studied for many decades and which is especially actual for modern economy. The conception of a competitiveness is wide and many-sided and we can characterize it as follows.

Competition – struggle between manufacturers for more favorable conditions of production and sales of goods, as well as best profit, which is typical for commodity production and is based on the private or corporate production assets property. [4]

The competition on transport is a rivalry of transport agencies for the best methods of managing and as consequence for the most favorable conditions of transportation and for the
maximum profit. Besides, the competition on transport is a struggle for cargo owners and passengers, for better efficiency resulting from modern and more effective technologies, better quality of transportation, reliability and higher speed of passengers and freight transportation. According to the results of competition when the so-called base competitive advantages are used, profit on the invested capital is received and, hence, resources between various types of transport are also redistributed, the elements of interbranch competition appear. [5]

The most typical of modern modes of transport is the market of oligopoly competition. It is characterized by domination of a few companies existing on each type of transport. Within the international transport market they can be the logistical transport companies, for instance.

Oligopoly is a domination of a few organizations, each of them carries a great volume of traffic and, hence, is the large seller of transportation services. But each of the companies is under the influence of competitors both in each type of transport, and at intertransport level. The oligopoly competition is imperfect. First, each of the organizations has a significant share in transportation market, and therefore can influence on tariffs. Second, for new organizations entering an oligopoly market means great risk as requires time and great investments.

Thus, there are the following kinds of a competition in the transport market:
- Interbranch competition - between railway and other types of transport;
- Intraindustry competition - between various participants of transportation process (the companies-operators, carriers, etc.);
- Production competition - when the product transported by rail, for example coal for power station, is replaced with other kind of fuel - gas, the black oil delivered by other type of transport (it is possible in long-term prospect since change of technology of transportation and technical equipment are required);
- Geographical competition - when the cargo can be delivered on other route.

Also for understanding the processes occurring in the market of transportation services, it is necessary to formulate the conception of competitiveness of the transport production. Competitiveness of the transport production can be understood as a set of characteristics of the cargo (passengers) transportation, reflecting its difference from transportation by other types of transport (or using other complex of transportation technology) concerning both the public requirements and the level of transport expenses.

Competitiveness of the goods (complex of transportation services), no less than competition, can be price and not price. The price competition is advanced by the size of expenses for production and goods circulation, depends on tariff and investment policy, and also - on the ability of the manufacturer to claim for innovations in engineering, technology and management in time and in the necessary volume.

Not price competitiveness of transport production is influenced directly by three groups of parameters: demand, offer and interaction.

As a result of all aforesaid it is possible to formulate the concept of the competitiveness of a transport company. The competitiveness of a transport company is an ability to satisfy effective demand of clients for transportation in definite volume and of definite quality which allows to take a leading place in the market of transportation services and gain the maximum possible effect. [5]

It is necessary to notice that transport company possibility to compete in the market of transportation services basically depends on competitiveness of transportation and a set of economic methods of industrial-financial activity of the enterprise, affecting the results of competition.
Thus, we can see that management of competitiveness of a transport company depends on a number of elements. Within the limits of the given research we will consider such interesting and significant factor, as the organization of transportation process.

This factor plays an important role in the analysis of performance of the company from the point of view of an interbranch competitiveness. Here the basic rivals of railway transportation are automobile and sea transport.

Research shows that the motor transport is effective on short and medium distances (to 1500 km), and its discriminating feature is the company’s ability to deliver under schemes of «precisely in time» and «door-to-door». The sea transport is optimal on long and very long distances (more than 2000 km). And it is frequently chosen because of a low tariff on cargo transportation.

So, to involve the maximum number of clients, the railway transport company should render the services qualitatively comparable with both automobile and sea transport.

One of ways to achieve this purpose is to use the technology of delivery of cargoes in the fast container trains (FCT) by the international transport corridors (ITC).

The fast container train is a stock made up of fitting platforms with containers, going on certain routes according to the established schedule. It is also possible to use the so-called container block-train with the uniform transportation document for all train. Introduction of this technology allows to reduce considerably train idle time on borders (the customs control).[2]

The international transport corridor is a set of the mainline transport communications (both available, and being created), connecting various points of the globe, that is generally ensured by corresponding arrangement.

Issues of transport, economic relations and the development of transport communications, providing acceleration of goods flows and trade exchange between the countries of Europe, Russia and Asia were first staged in the mid 80-ies of the XX century. On the initiative of the inland transport Committee of the economic Commission for Europe United Nations (ITC UNECE) a study of traffic flows between the Nordic countries and southern Europe was conducted to analyze the development of multimodal transport in this area, i.e. the transportation involving several modes of transport on the basis of a single transport-technological process.

Ten of the so-called Crete corridors, the main directions of which were organized, enhanced, improved and paved to perform assigned tasks were identified during the I (1991), the II (1994) and the III (1997) pan-European conferences on transport.

After three pan-European conferences on transport had been spent, the European Union stopped their organization because it fulfilled all that was planned, namely - approved routes, determined the cost of financing the development of corridors, identifies implementation mechanisms. The European Union has allocated significant funding for the development of international transport corridors (ITC), including candidate countries for accession to the European Union [3]. As part of the first (1998), second (2000), third (2003) and fourth (2006) International Euro-Asian conference on transport five priority Eurasian areas were highlighted: the TRANS-Siberian corridor, Central corridor, South corridor, TRACECA, Corridor North-South. These areas are still being developed and improved.

There are various types of transport providing transportation of passengers and goods in the international communication, on congested destinations. For Russia especially important are ITC №9 (and its further development – The "North-South" ITC) and ITC №2 (and its further development – The "East-West" ITC).

ITC № 9 is an intermodal mainline passing from border with Finland to St.-Petersburg – Moscow – Rostov-on-Don – Novorossijsk/Astrahan. Considering the fact that the northwest region of the Russian Federation is the only place where the Russian
The Federation borders with the European Union, on ITC № 9 there passes a significant part of the freight turnover with the European countries.

This ITC connects some transport components, including railway, road, marine, river, pipeline and air transport.

The "North-south" ITC represents the further development of ITC № 9 and is an important strategic problem realized within the project of transport corridor "North-south". The agreement on the creation of this ITC was signed on September, 12th, 2000 by the governments of Russia, India, Iran and Oman. Subsequently Belarus, Ukraine, Kazakhstan and a number of other countries joined the agreement. The agreement on this ITC assumes delivery of consignments from various ports of the Caspian, and Black Seas.

ITC №2 is a route from Berlin to Warsaw - Minsk - Moscow - Nizhni Novgorod. In 1999 at the meeting of Coordination Transport Council in Nizhni Novgorod the CIS countries signed the application for intention to create the transport corridor connecting China, Kazakhstan, Russia and Belarus.

The further development of ITC №2 is The "East-West" transport corridor which includes the Trans-Siberian Railway (TCR), and also railway routes to Russian northern ports (Murmansk, Arkhangelsk), the Baltic and other ports.

The formation of pan-European transport corridors had been almost completed by the year 2009. However it should be noted that there are many new European projects - ITC "Baltic ring", ITC "INTRASEA", ITC "NECL" and ITC "The South Baltic Arc Region. All these projects are under development and planning.

The purposes of formation and development of the ITC in Russia are [2]:

- to provide conditions for improving the reliability and efficiency of Russian and foreign trade transportation;
- to involve new freight traffic on transport communications of Russia;
- to develop the export of transport services and implement the transit potential of the country;
- to increase the level of containerization of freight traffic;
- to attract domestic and foreign investment for the development of transport infrastructure;
- to create conditions for accelerated development of the regions of the country, located in the area where international routes of transport corridors are situated;
- to integrate Russian transport into the European and global transport system as an equal partner since the development of international transport corridors meets both external and internal economic interests of the Russian Federation.

The main flows of foreign trade and transit traffic are concentrated on the axes The West-East and North-South and coincide with the main directions of transport in interregional transport within Russia. In the context of increased international cooperation and the deepening of integration processes in the formation of international transport corridors leading role in transportation issues related to the provision of interstate economic, cultural and other ties, with feasibility of international transport infrastructure creation. And this fact agrees with technical parameters and provides the usage of compatible technologies on transport as the basis of the national transport system integration into the global transport system.

ITC were formed to develop and improve both freight and passenger international links. In such conditions it requires the development and implementation of a coordinated and coherent system of measures on the communications of all transport modes to ensure normal conditions for the functioning of markets for transport services, to strengthen the production
and technical base of transportation and infrastructure on the basis of investment processes activation and effective innovation policy based on the modern logistics principles [4].

Therefore the system of measures should be combined in rational proportions with efforts of the Federal government, regional administrations and enterprises as well as the initiative of associations of transport companies, freight forwarders and individual entrepreneurs. This system of measures must be implemented to provide full and effective usage of the resource, industrial and intellectual potential, transport infrastructure, geopolitical position of the country and its regions.

There is no doubt that transport communications of Russia can be effectively integrated into the Eurasian transport system, built on the basis of international transport corridors. This conclusion is based on the analysis of the Russian Federation railway transport system, where a significant growth of activity volumes and innovation has been most recently recorded.[3]

At the present time there are more provisions directly stimulating the development of transport activities, including transit and new tax package laws in the legislation of the Russian Federation. This fact provides the reduction of the tax burden on the real sector of the economy to a zero rate of value added tax when performing transit through the territory of Russia.

Also an increase of private capital in infrastructure development projects has been seen for the last 5-7 years. Thus, there was created a new technological complex for exporting oil in the framework of the Baltic pipeline system in the port of Primorsk in the Gulf of Finland. The construction of a modern environmentally friendly terminal processing of potash fertilizers with a capacity of 5 million tons per year began in the port of St. Petersburg. These and several other projects are being implemented jointly by the state and private companies, manufacturers and exporters. The successful development of transport infrastructure is critically dependent on the achieved level of partnership between the state and private capital that has an impact on the competitive position of transport companies in the industry. [4]

The approaches based on the theory of transport services quality have a considerable interest to assess the competitiveness of rail transport. This trend has found further evolution in the development of a flexible marketing strategy of quality management of transport service in accordance with market conditions. The quality of transport services includes a set of consumer properties and informal characteristics. The so-called brand for the level of service that provides the consistency, accessibility, regularity, safety, efficiency and security can have good assessment rate by partners and clients. [1]

Competition can be described as a flexible mechanism that instantly reacts to any changes in the external environment. It requires the provision of spare capacity, financial resources and so on in order to provide a competitive strategy.

Transport companies must attach great importance to the analysis of their strengths and weaknesses, as well as to the development of strategic marketing policy, political situation and the negative impact of the sanctions by Western countries to assess the real opportunities on the transport market. [5]

Due to competition in the market of transport services a combination of state and public interests with the interests of private companies is achieved. Modern companies try to apply the most cost-effective combination of resources to produce a product that gives the greatest profit according the current situation of market, economics and policy. This should serve the interests of society, because the society provides the most efficient use of resources in the conditions of their limitations. Thus, when domestic transport companies maximize their profits and work successfully in the global market of transport services, the gross domestic product also gets positive growth and influences not only on the economy of the industry, but also has positive effects on the development of the Russian Federation.
References:

ТРАНСПОРТНИТЕ КОРИДОРИ КАТО ФАКТОР ЗА ПОВИШАВАНЕ
КОНКУРЕНТОСПОСОБНОСТТА НА ЖЕЛЕЗОПЪТНИЯ ТРАНСПОРТ

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Ключови думи: експорт, транспорт, превози на контейнери, логистика, международни транспортни коридори, конкурентоспособност, управление на транспортната дейност.

Резюме: Развитието на комуникационите, икономическите връзки и транспортната дейност са сред основните фактори, които предопределят търговските връзки между Европейските страни, Руската федерация и Азия. Транспортната Комисия към Обединените Нации (ITC UNECE) е предприела инициативата да проведе изследване относно товарния трафик между скандинавските страни и страните от Югоизточна Европа и възможностите за осъществяване на интермодални превози. Без съмнение, транспортната инфраструктура в Руската Федерация успешно може да бъде интегрирана към Европейската транспортна система чрез международните транспортни коридори. Това може да бъде постигнато благодарение на значителния ръст на товарните превози с железнодоръчен транспорт в Русия и постигнатите нововъведения в този вид транспорт през последните години.