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## **Economic Cooperation in the Field of Transport Development On the Far East**

During last years favorable preconditions for organization of various structures which can become a basis of large investment projects on the Far East are being actively discussed. The questions of development of possible cooperation between Russia, China and Korean Republic in the field of rendering transport services and the organization of freight traffic both inside Far East region, and in the countries of Northeast Asia act as the objects of analysis. Commodity circulation between the countries develops promptly, for the last years it has comprised 20 billion dollars. Thus it is supposed to transfer frontier trade on more organized level that contributes to shift from retail trade to transportation of cargoes in sufficiently great volumes. The development of the international multimodal transport corridors providing transportations on long and ultra-long distances, is promoted by an existing network of the Russian railways.

Nowadays in Russia the general circuit of railway transportation development up to the year of 2030 is being worked out. The total amount of investments will comprise about \$380 billion. From this sum it is planned to spend about \$130 billion on the construction of new lines, about \$150 billion - on updating of a rolling stock and about \$ 100 billion – on the development and modernization of an existing infrastructure. In total it is planned to engage more than \$70 billion private investments.

According to the general circuit, it is planned to construct 22000 km of new railroad lines for development of growing volumes of cargoes transportation. The development of transport corridors, in particular infrastructures of the Trans-Siberian Railway, Baikal-Amur Line, construction of the North-Siberian line, new approaches to ports of the Far East, and also the development of approaches to Trans-Korean Railway is being planned. It is necessary to note, that the intensity of meetings between the heads of the railway companies of Russia, Republic of Korea and DPRK which is recently observed, testifies to the special relations of both parties to the project of Trans-Korean Railway development.

Despite of present difficulties of the project realization, stable positive dynamics is being observed in the process of the coordination of cooperation stages. So, by the present moment the creation of the international consortium which will modernize Trans-Korean Railway has been confirmed. This process is the most effective way of transport contacts adjustment between North and South Korea. Thus DPRK can receive incomes of transit cargoes passage through its territory and

develop the economy.

Nowadays the transportation of cargoes from Republic Korea by means of the Russian railway transport infrastructure is carried out through the Russian ports of Primorski Krai. However Russia is interested in reception of cargoes also through the border passage «Hasan-Tumangan».

The main point of Russian railway infrastructure development is the high-speed lines construction and modernization of speed lines. This question is paid attention to much by Russian management. It is planned to construct more than 2300 km of high-speed lines. These are projects of construction of Moscow - St.-Petersburg line and Moscow – Sochi line. It is also planned to modernize more than 3000 km of Russian lines to enable high-speed passenger movement with speed up to 160 km/h.

As while in Russia there is no high-speed transport, railway employees are interested in choosing of foreign partners which possess the complex technologies of high-speed infrastructure construction, its operation, movement management, and a rolling stock for it. Thus the Russian industrial policy, like in all advanced countries, is directed to supporting and development of domestic scientific and industrial base.

The modern technologies used in railway transportation and, in particular, in the field of high-speed movement, modern control systems of transportation process and safety of transportations, various production technologies of hi-tech element base for railway systems could become the potential spheres of cooperation.

The issues, concerning the update of a rolling stock park are the separate set of problems found in cooperation. Nowadays over 900 thousand freight cars, over 35 thousand carriages, about 20 thousand locomotives are being maintained on the Russian railways network. The total deterioration of cars and locomotives exceeds 60 %.

Recently the Russian industry masters have begun to release some missing models of a rolling stock. However there is an unsatisfied demand on a rolling stock. It comprises more than 7 thousand locomotives, more than 120 thousand freight cars, more than 2 thousand carriages.

«Strategy of Russian transport mechanical engineering development» developed by the Institute of natural monopolies problems under the order of the Ministry of the industry and energetics is devoted to the necessity of production facilities expansion and updating of lineup output. As a result of realization of Strategy the increase of Russian transport mechanical engineering share of railway technical equipment in the world market is awaited from 10 % in 2005 up to 17 % by 2010. Growth in 2 times in money terms is expected.

Significant prospects of cooperation open for foreign partners. Some foreign manufacturers have already entered the Russian market. Questions of the organization of joint ventures are negotiated with other leading world manufacturers.

As to investments into the project of reconstruction of railway Radzhin - Hasan, incorporating to port Radzhin the basic attention should be given to a problem of the decreasing volume of cargo transportation on the Trans-Siberian railway and the

amount of rail-way cars. The prime decision of these two problems is very important because it will influence directly on the volume of cargo transportation and stability of investments into the companies participating in a consortium.

Along with reconstruction of a part of Radzhin – Hasan line and port Radzhin, stability of cargo transportation through port Radzhin should be guaranteed, notably, there should be a maintenance of not only technical equipment, but also such program conditions, as sea transportations, port, loading - unloading, transport system which provides communication of transportations and loading in cars.

At present the discussion of the given project was touched on the problem of technical equipment. However, if any part concerning transportation, port, transportation in cars, will show its unsecurity, all system of cargo transportation "will slip". In case of transportation of cargoes through Radzhin, even the updated system causes uncertainty in its possibility to be competitive with other ports, including a key problem of stability.

Other problem concerns undertaken efforts on creation of a favorable atmosphere for attraction of public interest and investments into the project. For attraction of public support of the beginning of the project of reconstruction the pilot project of container cargoes processing through port Pusan - Radzhin – Hasan - Trans-Siberian railway should be created.

Nowadays containers are delivered to China through port Radzhin, and work of the railway on a section between Radzhin and Hasan though is not regular, but is carried out. Thus, all doubts on a question, whether the pilot project on the given direction should be created, can be resolved, and also the reconstruction project should meet public approval.

To summarise, it is possible to note, that efforts for creation of multilateral system of cooperation in the given project should be undertaken as soon as possible. The merger project of Trans-Korean and Trans-Siberian railways entails the merger of Trans-Korean railway, railways of DPRK and Russia, that will provide a stream of the goods, creation of competitive logistical system which demands joint actions from a Korean Republic, DPRK and Russian management.