

Economic Cooperation Organization



Report of the 10th High Level Working Group Meeting on Islamabad-Tehran-Istanbul Container Train

20-21 August 2019, Ankara

ECO Secretariat

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The 10th High Level Working Group (HLWG) Meeting of the ECO Container Train on Islamabad-Tehran-Istanbul Container Train was held on 20-21 August 2019 in Ankara, Turkey. The Meeting was attended by the participants of the Islamic Republic of Iran, Islamic Republic of Pakistan and Republic of Turkey. Representatives of the Union of Chambers of Commerce and Exchanges of Turkey (TOBB) and the Islamic Development Bank (IsDB), along with the ECO Secretariat delegation attended the Meeting. List of the participants is attached as **Annex-I**.

Agenda Item No.1

Inauguration of the Meeting

2. **Mr. Erol Arikan**, Director General of Turkish State Railways - *Taşımacılık A.Ş. of Republic of Turkey* (TCDD Taşımacılık A.Ş.) inaugurated the Meeting. His opening statement is attached as **Annex-II**.

3. **Mr. Ahmad Saffari**, Director for Transport and Communications, delivered his opening statement, which is enclosed as **Annex-III**.

Agenda Item No.2

Election of the Chairman

4. As per ECO Rules of Procedure, **Mr. Çetin Altun**, Deputy Director General of TCDD Taşımacılık A.Ş. was elected as the Chairman of the Meeting.

Agenda Item No.3

Adoption of the Agenda

5. The Meeting adopted its Agenda as proposed by the ECO Secretariat. A copy of the adopted Agenda is attached as **Annex-IV**.

Agenda Item No.4

Appointment of Drafting Committee

6. Under this item, the Meeting appointed a Drafting Committee to prepare the Draft Report.

Agenda Item No.5

Discussion on technical and operational issues regarding to ITI train service:

7. Under this Agenda Item, the Meeting decided on the following specific issues:

a. Tariff rates and other charges/fees

8. Delegations of the Republic of Turkey and the Islamic Republic of Iran briefed the Meeting on their relevant tariff rates for the ITI Container Train.

9. The Meeting appreciated the Islamic Republic of Iran and the Republic of Turkey for the flexibility reductions of their tariff rates and agreed on the unification of the enroute countries' tariff rates to be applied along the ITI railway route. Thus, the Meeting decided on the unified tariffs for the ITI Container Train and additional charges as reflected in ***Annex V*** of the present Report entailing from the procedure of the unification of the abovementioned tariff rates while, at the same time, the Meeting allowed on month time interval *i.e.* by the end of September 2019, for Pakistan to concur to the afore-stated, via formal channels.

b. Revised Time Tables

10. The Meeting re-iterated to its previously agreed overall travel time of the ITI Container Train from Haydarpara station to Islamabad to be no more than 15.5 days. To that effect, the Meeting recalled that the run of the ITI Container Train in October 2013 consumed 13 days, only.

11. The Meeting commended on the timely submission by the enroute countries of their time tables and concluded that the overall time of travel of the ITI Container Train be no more than 15 days with further improvements to 11. The specifics of the ITI Container Time Table have been approved as follows: Turkey 90 hours, Iran 90 hours and Pakistan 135 hours. A copy of revised timetables provided by Pakistan, Iran, and Turkey are in ***Annex-VI***.

12. The Secretariat suggested regularizing the ECO Container Time Table in the current time schedules in use by the enroute countries. The idea of dispatching the train with at least monthly frequency has been floated. Such suggestion came into the alignment with para-20 of the Report of the 9th HLWGM on ITI (12 July 2017, Islamabad). It was agreed that the enroute countries will exert every effort to enable the operation of the ITI Container Train as regular of which the dispatch will be from station in Istanbul (Köseköy) and in the reverse direction. The Meeting agreed on the tentative timing of the start of regular operations of the ITI Container Train to be in October 2019 onwards. For this purpose, the Turkish Railway Authority may publicize the start of operations through public communications sources.

c. Infrastructure and rolling stock capacity of enroute countries relating to ITI train service

13. The Meeting pointed out the infrastructure, train speed and rolling stock challenges on Pakistan side. The Meeting emphasized the “early operationalizing” of the ECO Container Train, as prescribed by the *Turkmenbashi Declaration-2018*. As with the above-noted observations, the Meeting re-confirmed the urgent need to regularize the operations of the ECO Container Train, and for that matter, requested the Representative of the Islamic Republic of Pakistan to convey to the relevant authorities in Pakistan the intent of the enroute countries to “early operationalize” the ITI Container Train.

d. Highlights of technical and operational plan for regularizing the ITI Container Train

14. Delegation of I.R. of Iran stated that Iran has further enhanced its transshipment facility at Zahedan thereby minimizing the dreadful impact of sand dunes.

15. Delegation of I.R. of Iran indicated at some concerns about the current situation at Iran-Pakistan border crossing point along the 94km distance. The intent of Iran has been voiced to construct a brand new standard railway track (1435mm) from Zahidan to Mirjaveh in order to minimize wait time for Pakistan wagons, at Zahedan station. The estimated cost of the future construction works has been quoted to be €34million. In this regard, the preliminary assessment has already been carried out and Iran will provide the Secretariat with detailed information about it.

16. For the above purpose, Iran asked for financial assistance by ECO Trade and Development Bank and Islamic Development Bank.

17. Also, the Delegation of I.R. Iran proposed to establish the ECO Logistic Centers along the ITI railway mainstream for potentially attracting investment flows. It further suggested locating the proposed ECO Logistics Centers at: Zahedan, Tehran (Aprin), and Tabriz and, for that matter, requested establishing similar zones in Turkey and Pakistan. Turkey informed the Meeting of the already existing logistics centers on the ITI corridor, named Kōsekōy and Eskişehir (Hasanbey).

18. To avoid any potential delays in loading/unloading of wagons, the exact timing of the arrival of the dispatched container train from any origin along the ITI railway route, till subsequent border stations along its entire journey, was asked to be notified, on the mandatory basis, by the enroute countries. Each country will provide an e-mail address to the ECO Secretariat to share operational details, instantly.

19. Delegation of I.R. Iran proposed that each wagon be so standardized to contain either two Twenty Foot Equivalent Unit (TEU) containers or a Forty Foot Equivalent Unit (FEU) container.

20. To draw the common line in the deliberations, the Meeting arrived to a common conclusion that, by universal practice, “cargo mobilization” is smoothly handled whenever freight forwarders are confident of consistency in the time schedule of a container train, which enables them to pre-calculate future freight volumes. In practical terms, from now onwards, (i) a Focal Point in each of the enroute countries will be assigned to solely handle freight & infra; (ii) the abovementioned Focal Points will be designated at the level enabling autonomous mandate to take decisions and exclusively report on issues of freight & infra of the ITI Container Train to Director General of the Railway Authority.

21. Further to the above paragraph, Delegation of Republic of Turkey named Mr. Mehmet Altinsoy, Head of Logistics Department and Deputy to Head of Logistics Department Mr. Oktay Aydinoğlu to act as Focal Point for freight & infra on behalf of Turkey. The Meeting concluded that other enroute countries fill follow similar suit *i.e.* they have to relate these details to the Secretariat no later than end September 2019.

Agenda Item No. 6

Latest updates on the Memorandum of Cooperation (MoC) signed between the Pakistan Railways and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) on 23 December 2013.

22. The Representative of TOBB, while welcoming the readiness of the enroute countries for the resumption of the ITI Container Train’s regular operations, noted however the need for prerequisite arrangements to be in place. It was also noted that China-Pakistan Economic Corridor (CPEC) is becoming a powerful tool of revitalizing regional railway development, especially, given that it is capable of generating freight and trade in the direction from China to the ITI’s enroute settlements thereby generating economic growth.

23. The Representative of BALO presented a detailed briefing on the past and current development of BALO as relevant to the operationalizing of the ITI Container Train. In particular, it was noted that the ITI Container Train marks its 10th ‘jubilee’ effort to revamp its operations thereby indicating that the commitment remains firm. The far-reaching advantage of looking into the strategized long-term sustainable benefits rather than immediate profit maximizing interests of railway authorities has been noted, which is expected to bring broader impact of sustainable returns on railway operations of enroute countries.

Agenda Item No.7

Any other business

24. ECO Secretariat informed the Meeting of the interests of other countries to join in the ITI Project and the Secretariat will circulate any official request in this regard with the enroute countries as and when received.

25. TCDD Taşımacılık A.Ş. expressed its desire to visit Pakistan in September, 2019 and requested the Pakistan representatives to facilitate this visit. During the visit, the TCDD Taşımacılık A.Ş. Delegation will have the opportunity to raise the issues associated with the ITI Container Train with focus on infrastructure and rolling stock improvement.

26. The UIC-initiated *International Next Station 2019 Conference*, to be held on 11-13 November 2019 in Tehran, was noted as a potential platform for a sideline meeting between the railway authorities of Iran, Turkey and Pakistan. The Secretariat has been instructed to follow up the issue with the Host Country organizer and the ITI enroute countries.

Agenda Item No.8

Adoption of the Report

27. Under this Agenda Item, the Meeting adopted its report prepared by the Drafting Committee.

Agenda Item No.9

Date and Venue of the next meeting

28. Under this Agenda Item, the Meeting proposed to hold the 11th High Level Working Group Meeting on Islamabad-Tehran-Istanbul Container Train in Pakistan. The Pakistan authorities will consider this proposal and inform the result to ECO Secretariat at the earliest possible.

Agenda Item No.10

Vote of thanks and closing of the meeting

29. Under this item, the Heads of Delegations offered Vote of Thanks to the Government of the Republic of Turkey, as Host Country, and TCDD Taşımacılık A.Ş. of Turkey for excellent arrangements of the Meeting and the hospitality extended to them. The Meeting thanked the ECO Secretariat for its efforts and adequate arrangements.

30. The Chairman announced the closing of the Meeting.
