

**Statement by Director for Transport and Communications of the ECO Secretariat Mr.
Ahmad SAFFARI at the 10th High Level Working Group Meeting on Islamabad-
Tehran-Istanbul Container Train**

20-21 August 2019, Ankara

Honorable Chairman

Esteemed Delegates

Dear Guests

On behalf of His Excellency Dr. Hadi Soleimanpur Secretary General of ECO and, on my personal behalf, I would like to sincerely thank the Government of the Republic of Turkey for extending warm welcome and hospitality to the participants of the 10th High Level Working Group Meeting on Islamabad-Tehran-Istanbul Container Train in Ankara.

Before wishing the participants successful deliberations, I would like to recall that the first milestone in container train on ITI realized on 14 August 2009 through the test run of the ITI Train. The regular runs of container train started on 2 October 2010 at the 30% reduced tariffs rates. It was continued till 2012. Later, however, it was halted due to rehabilitation works and insufficient “cargo mobilization” at original destination and train stations in Pakistan.

This ITI initiative was, at the onset, meant to create a shorter, faster, cheaper and safer regional route to contribute to strengthening of intra-trade and add essential value to ever ascending growth of the Turkish, Iranian, Pakistani and even Azerbaijani (should Azerbaijan decide to join ITI) economies in the future.

Yet, the ITI railway will have to overcome rehabilitation aftereffects that Pakistan is undergoing in Quetta-Taftan segment to sustain ongoing efforts of making the route faster and more reliable. In this, I am confident that the ITI enroute countries, together, will be able to maintain the ITI Container Train operations regular in very near future and before ending the year 2019.

Distinguished Delegates

The issue of “low cargo mobilization” has long been on our agenda as regards the ITI. The ITI Container Train could effectively diversify its logistics flows allowing its enroute countries reduce risks associated with conventional restrictions, such as, the delivery within 30 days by sea vs. just 15 days by rail, and unpredictable weather turnouts at seas. Reduction of the number of transshipments, could also help avoid mechanical damage to commercial cargoes and ensure pre-ordered quality at final delivery spot. In that regard, reducing delivery time may help optimize enroute countries’ working capital by decreasing inventory in transit. For another, the BTK could be linked to the ITI to reach, let us say, Iskenderun via Malatya station and Mersin via Kaiseri station with the latter stations being located on the ITI route. Such an opportunity may help expand the ITI’s outreach to larger cargo fill-ins at ports of the Mediterranean Sea, in the south, and also, ones in the Black Sea, in the north – for purposes of greater “cargo mobilization”.

Dear Colleagues

Being in Ankara and not making a reference to the existing potential of Turkey, in terms of railway development, would be a missed opportunity for me, therefore, I would like to highlight where Turkey could be instrumental in strengthening the ITI railway route. In the Turkish investment programme, an increase of exports by rail of 7.1% (EUR 162 billion) was envisaged for year 2019 while imports were to increase by 3.4% to EUR 216 billion. In that context, the ITI Container Train, if timely activated, may be essential in effectively contributing to the increase in trade exchange. Likewise, it could help put into life the bilateral trade targets obtainable between Turkey and Iran and between Turkey and Pakistan.

Dear Guests

There also exist some concurrent opportunities for the enroute countries that the ITI railway may be able to offer. To that effect, the ITI railway route can be extended to the Nakhchivan railway in Azerbaijan. As with the many extension opportunities of this railway, connecting it to ITI would only serve for the greater common good of both, the Azerbaijan Railway and the ITI. In this regard, the views of the involved Member States on potentially extending the Nakhchivan railway to the ITI would be appreciated in the course of today's deliberations.

This year Turkey has successfully completed the Marmaray Project. Likewise, Pakistan continually pursues "regional connectivity, which has been identified as one of the seven pillars of Pakistan's Vision 2025". To that impact, in 2017, Pakistan's cargo loads transported by railways reached 5,630 thousand tonnes and 5,031,315 thousands in tonnes-kilometers, including on the rail-based segments of the ITI. Similarly, Iran delivered on imports of 9,175 tons, exports of 33,436 tons and 12,026 tons of transit cargoes carried from Zahedan to Pakistan. Added to this, all of the ITI enroute countries, apart from resumption of rail freight along the ITI, advocate for the activation of passenger transport on this route.

Given the above background, the ITI railway should start its "early operationalization" as envisaged by the Turkmenbashi Declaration adopted by the 9th ECO Transport Ministerial Meeting in (May 2018). Let us work on this target swiftly and responsibly. At this note, allow me to conclude my statement by wishing this august Meeting fruitful deliberation to result in a clear operational plan following the common wisdom that "actions speak louder than words." Let me also, once again, convey my genuine appreciation and heart-felt thanks to the Turkish Government for the excellent hospitality extended to the participants of this high-level Meeting.

Thank you for the attention.