

## **Eurasian crossroads**

### *Belarus plays a central role as a transit state in international trade*

In this sense, the economic globalization changed the order of things. For instance, cheap Chinese-made clothes and footwear flooded world markets due to the revolution in the delivery of goods among other possible causes. Transport communications enveloped the Earth with a thick spider web of railways, highways and major air routes and Belarus plays an important role in this seemingly chaotic system. Geographically, the country is situated at the crossroads of traditional trade routes in the centre of Europe.

Thus, it is intersected by the 2nd Cretan international transport corridor, which spreads from Brest in France trekking through Berlin, Warsaw, Minsk, and Moscow and further to Far East and Southeast Asia. The so-called 9th Cretan transport corridor that connects Scandinavia and north-west Russia with Ukraine, Greece and Middle East also runs through Belarus. International corridors embrace all kinds of transport, including railways, automobiles, planes and pipelines. And all of them are well-developed in Belarus. The transit of various cargos via Belarus puts substantial funds in the national budget, creates new jobs and contributes to the growth in domestic and foreign trade volumes. That is why the transport sector enjoys a full support from the state. Recently, for example, the government considered a draft of the comprehensive programme aimed at raising the efficiency of transport possibilities in 2006–2010. According to vice Prime Minister Vasily Gapeyev, the working out of such a programme has been necessitated by “the intensive cultivation of the economic relations between the CIS and Europe, the EC enlargement, the geographic position of Belarus and the presence of modern transport communications on its territory that encourage further increase in cargo and passenger transit.” Bigger transit means bigger revenues. Let’s have a closer look at the quadriga of various kinds of transport developed in Belarus. A railway is a major one. It has been posting high growth figures since 2000. The volume of transportation comes in tens of millions tonnes a year. By 2010, it is predicted to reach a level of 40 million tons. How can an increase of 25% be attained when there is cutthroat competition with other transportation arteries, for example with a seaway from Southeast Asia to Europe via Suez Canal? The Belarusian railroad that is in cooperation with Russia, China and Mongolia is set to ensure a faster delivery of goods and it is enough to look at the map to see the ambitions are well-grounded. And there is something to vie for, as the total volume of transportation in this direction amounts to \$100 billion a year.

It is express container trains that are going to rock the house. Not long ago, the first such train that was assembled in China brought about 100 20-foot containers to the German city of Essen via Belarus. This is a step forward along the way that was started by the romantically named container train “Eastern Wind” in 1995, when it made its first Berlin-Minsk-Moscow journey. “Commonwealth” route that strings together Rotterdam, Europe’s largest port, Brest (the western border of Belarus) and the Moscow railway junction is also on the list. A year later, Mongolian Vector started circulating from Brest via Belarus and Russia to Ulan Bator. Belarus has a number of highways running through its body. Brest–Minsk–Russian border is the most prominent. About 10 years ago, a credit issued by the European Bank of Reconstruction and Development for the purposes of retooling the Belarusian highways helped to draw both huge resources and cutting-edge technologies. Since then, the road sector relying on the domestic funds has advanced far in its development. Today, the highway corresponds to all European safety standards and the speed limit is 120 km/h. It carries mainly the cargo heading for Russia (85% of the freight transiting Belarus by road).

The automobile transit is expected to climb another 14–18% by 2010, which is likely to urge the modernisation of other Belarusian highways. The Minsk Ring Road has lately been brought in conformity with European speed and capacity standards. The rest of the highways located within a 50-kilometre radius of Minsk are being refurbished. The improvement of the roadside service with prospects of attracting private foreign capital is one of the issues on the agenda.

The air space of Belarus is as busy. Annually, 115,000 planes belonging to 835 air companies carry out flights above Belarus with some 70% of them being transit ones. Boeings and Airbuses fly

high from Europe to Moscow, from Helsinki and St. Petersburg to the scorching-sun resorts of Greece and Turkey and back. Belaeronavigatsiya State Company is going an extra mile to ensure safe travel of an immense number of aircraft above Belarus. For this purpose, all necessary equipment has been updated to fit international requirements. Belarusian airports are at the ready to accept the landing of a plane.

Meanwhile, the pipes snaking underground pump huge amounts of natural gas and oil at a high speed to Europe. A couple of years ago, a 570-km stretch of Yamal-Europe, the Russian gas main, of a 1,400-mm diameter was made operational in Belarus. It pumps an annual volume of 25 billion cubic metres of gas to Poland, Germany and other European states. This year, Belarus plans to build several additional gas-compressing stations in order to augment the capacity of the main. If you add to it the transit possibilities of the Belarusian national gas-transporting system, the export of Russian gas via Belarus can triple by 2010. And we do not even take into account the possible construction of the second stretch of Yamal-Europe here, which Belarus has already agreed to.

The “gas” example demonstrates what a favourable geo-strategic position Belarus has. It can bring cushy economic and political dividends both to the country and its neighbouring states. In particular, the implementation of the comprehensive programme aimed at raising the efficiency of transport possibilities can step up foreign currency proceeds by 7–8% a year. In monetary terms, it means \$690 million in transit money a year, of which an average of \$260 million will be used to enhance the national budget.