

## EAST – WEST: TRANSPORT PARADIGM OF INTERNATIONAL COLLABORATION

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**Annotation.** The article is devoted to the development of economic and organizational aspects of international transportation system, and international transport corridors particularly, which is the very important constituent of successful international economic relations between countries and assists activation of international ties between West and East.

**Key words:** International economy, global marketing, transcontinental transportation system, international transport corridors, international economic collaboration.

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**Introduction.** One of the most important aspects of the development of international co-operation between countries is improvement of transport provision and economic interaction. Establishment of trading and manufacturing relationships between Eastern and Western countries requires more careful analyse of transport potential of economic co-operation, also theoretical grounding of the necessity of formation and use of marketing principles of functioning of the intensive transport systems which would contribute to activation of transcontinental international contacts.

For now goods trade in the world totals ca \$9037 billion, volume of Asia-Europe transit trade attains \$120 billions [1, 2]. Thus, transport network which will be able to serve goods turnover in accordance with the increase in the world trade volumes and expansion of the world trade is a need. Speaking in images, it is necessary to revive the ancient route known as the 'Great Silk Way' by creation of the transport corridor Europe – Caucasus – Asia (TRACECA), which can be called as the corridor East – West and which will cross North – South transport corridor. Once the 'Great Silk Way' became one of the most significant achievements of the ancient civilisations, which for the first time connected different nations and countries stretching broadly from the Mediterranean Sea to the Pacific Ocean, connected material, artistic and spiritual culture of the nations. For many long centuries due to existence of the Way exchange of crafts, ideas, technologies, and beliefs was possible. Symbolic revival of the 'Great Silk Way' nowadays means creation of the important channel of wide and profound international co-operation in the sphere of diplomacy, culture, science, trade, and tourism [3].

International transportation became a significant factor of provision of the economic interaction of the countries and regions from day to day. Effectiveness of the transport services directly determines the possible level of intensification of the world

economic trading and manufacturing relations. After the collapse of the Soviet Union great number of states achieved their independence. Due to their geographical position they have to solve the question of creation of the transport complex once again, adjust various material and nonmaterial attributes of the transport infrastructure, the certain development level of which was an essential condition of creation of the necessary major trade routes between Europe and Asia.

Development of the transcontinental transport system and grounded support of its effective functioning on all stages and levels of realisation of economic interests of the members are an essential condition of optimisation of every branch of the logistic chain, including organisation of contractual principles of the international co-operation, informational support at every stage of the material flow process, reasoning of the ways of freight transportation and optimisation of the routes.

**Problem definition.** Existence of concurrence and wide variety of choice of the transport led to improvement of use, maintenance and repair of existing transport for the minimal influence of the costs on the end product price; formation of the effective transport road junctions, so called transport corridors, which were appropriate for provision of effective transportation of the product from sellers to consumers being in different countries, distant regions. Lack of transport impedes international co-operation and yields losses in any sphere of industry. Constant supply of raw materials and spare parts as well as reliable system of transportation of the manufactured products is of great importance for manufacture. Every transportation system should have the following features:

- a) it should be reliable and proved. It means that it can be used all round the year and under any political and social economic conditions;
- b) its delivery capacity should be satisfactory not only to provide timely and intensive delivery but also to give possibility of using complex schemes and intermodal transportation;
- c) it should answer the average level of costs because according to marketing researches transport expenditures play significant role in economic activity of the subjects of entrepreneurial activity, these expenditures are one of the main parameters which influence on consumer choice while making transport decision in the process of planning of international treaties.

In the case when the state has a potential and possibility of its realisation, it can use its transport infrastructure (roads, means of transportation, expeditor/ forwarding services etc.) strengthening its economy and extending the sphere of influence in the region and in the world, gaining profit.

Significant direction of formation and using of the transcontinental transport systems in spite of provision of mutual goods turnover and supply of transport transit services is provision of economically grounded and effective economic co-operation, mutual understanding between nations and intensification of the integration processes.

Countries are seeking to establish international economic contacts and actively co-operating under the conditions of globalisation making attempts to use their economic

potential to its full for effective integration into the world economy. Among such countries Iran is worth to be mentioned, the country with long history, traditions of international co-operation, different economic possibilities which can be proposed to the foreign partners. Geographical position of Iran makes it possible to concentrate goods traffic between Asia and Europe and renew its position on the 'Great Silk Way'. Attention will be paid to creation of the route from Caspian Sea to the Persian Gulf because this route is relatively cheaper (20-30% cheaper) in comparison with the route through the Suez Canal [2].

**Results of research.** Vail Douranat wrote in his book „history of civilisation”: Persian engineers created the large main roads which connected capitals. Length of one of such roads stretching from the city Shumer to Sarde equalled two thousands four hundred kilometres. Iran was surrounded by such civilisations as China, India, North Europe and Egypt. The 'Great Silk Way' was some kind of bridge connecting the East and the West (Asia and Europe) and started from Chagan (nowadays Cigna) which is situated in the East of China. It was used from the very beginning of the second century BC till the 17<sup>th</sup> century AD, thus for the period of 18 centuries. Its length exceeded 12 thousand kilometres. There were trade centres situated on the 'Great Silk Way', among them: Nishapur, Damgan, Gorgan, Ray, Hamadan and Tus. Great number of trade operations and transits were carried out in these centres. The Silk Way was of great importance till XIV century, and then several centuries later after railroads became popular and Trans Siberian Road (T.S.R.) in Russia was built it didn't exist any more. Later the Great Silk Way started reviving.

With the development of trade and spread of the demands of the General Agreement on Tariff and Trade (GATT/WTO) intensification of the standard world economic contacts took place, in particularly of international trade and other methods of co-operation between countries and regions. Thus appears the necessity of goods transportation and creation of the wide network of transport corridors for international co-operation.

Planning and development of international transport corridor is quite intensive and in a short period almost in all directions of intensive trading activity transport complexes are being formed. These complexes include roads, stations of customs control, overload, storage of the goods etc. For example:

- ⇒ Pan Asian Corridor (P.A.R.L.) which is known as „Pan Asian line” connects the majority of the continental countries: Singapore, Malaysia, Thailand, Cambodia, Laos, and Vietnam. After modernisation of this line and addition of such countries as Bangladesh, India, Pakistan, and Iran this line should gradually join the European transport infrastructure and transcontinental corridor.
- ⇒ World corridor of the XXI century (Europe – Asia – America) was created for direct connection of Europe, Asia and North America.
- ⇒ Eastern Corridor to Western Asia (China – Middle Asia – Black Sea - Europe) stretching through Middle Asia branches off in three directions:

- Northern – this branch of the main road runs from Kazakhstan through Russia to North-Eastern Europe.
- Central - runs from Tadjar in Turkmenistan via Caspian Sea through Caucasus and Black Sea to Eastern Europe and along the channel of European railroad.
- Western – stretches from the borders of Saragossa to Iran and via Ray to Turkey via Istanbul through European railroad.

There are plans to be elaborated in Europe concerning the development of transport channels and improvement of their quality:

⇒ Road junction TEN (Trans European Network)

⇒ Pan European corridors (Pan European Corridors)

⇒ “Crete Corridor ” (Crete) is an important international corridor in Central Eastern Europe which consists of the broad network of transport routs:

1. Tallinn (Estonia) – Riga (Latvia) – Warsaw (Poland)
2. Berlin (Germany) – Warsaw (Poland) – Minsk (Byelorussia) – Moscow (Russia)
3. Berlin/ Dresden (Germany) – Lublin (Poland) – Lvov (Ukraine) – Kiev (Ukraine)
4. Berlin/ Nuremberg (Germany) – Prague (Czechia) – Budapest (Hungary) – Salonika (Greece) – Istanbul (Turkey)
5. Tertcet (Italy) – Ljubljana (Slovenia) – Budapest (Hungary) – Bratislava (Slovakia) – Uzhgorod (Ukraine) – Lviv (Ukraine)
6. Gdansk (Poland) – Warsaw (Poland) – Zelena (Czechia)
7. The Danube (water-way)
8. Duris (Albania) – Tirana (Albania) – Skopje (Macedonia) – Sofia (Bulgaria)
9. Helsinki (Finland) – Saint Petersburg (Russia) – Kiev (Ukraine) – Moscow (Russia) – Odessa (Ukraine) – Kishinev (Moldova) –Bucharest (Romania) – Plodiv (Bulgaria).

The Trans Siberian Road known as Transsib connects Russia with Far East and stretches from Moscow to the Pacific Ocean for 10000 kilometres, is the property of the Russian Federation.

The most important corridors between Europe and Asia are transport corridor Europe – Caucasus – Asia (TRASECA) and international corridor North – South.

Investment plan for development of this road for the first time was considered in May 1993 at the Brussels Conference in the presence of Ministers of Trade and Transport of five states of the Central Asia and three states of Caucasus; later Mongolia, Ukraine, Turkey, Rumania, and Moldova joined the conference. The program of technical support for creation of the transport corridor from Europe to Central Asia via Black Sea and Caucasus was elaborated at this conference. On September 8<sup>th</sup>, 1998 the International Conference in Baku took place where questions concerning the Silk Way were considered. Representatives from 32 countries of the world and 13 representatives of UN organisation participated in this conference. In the course of the conference the bilateral agreement was ratified by the Heads of such states as Bulgaria, Kirghizia,

Tajikistan, Turkey, Ukraine, Azerbaijan, and the representatives of Kazakhstan, Moldova, and Uzbekistan concerning international transport and development of the corridor Europe – Caucasus – Asia. In 1998 at the third conference TRACECA was added to the system of European transport and the transport system named “European Transport Area” (PETRA – Pan European Transport Area) was created. This area connected European System with transport channel of Eastern Europe and TRACECA. The TRACECA program includes also transport channels ESCATO and ECO.

Once for political reasons Iran was excluded from the transport network and instead of Iran the other route was used – Turkmenboshi via Baku. Exclusion of Iran from this union was economically disadvantageous due to the necessity of double overload while crossing the Caspian Sea. In general the existing corridor (Iran, Turkey, Bulgaria, Rumania, Hungary, Austria, Chechia, Germany) is too long. Transport corridor TRACECA can be used for goods transportation to the Northern Europe via Hungary and Poland. This allows to reduce expenditures and terms of transportation: Iran, Turkey, Ukraine, Poland, Germany. For this purpose it is necessary to solve some organisational questions and simplify customs formalities, in particular:

- 1)cutting of the costs on visa operations;
- 2) release of road duty;
- 3)equal prices for the fuel;
- 4) issue of the export licences for goods.

The treaty concerning the international corridor North – South is the most significant transport treaty between Asian and European countries: this corridor will connect more than 1.2 billion of the Earth population and its length will reach 8500 kilometres. It will be 40% shorter and 30% cheaper in comparison with the existing route via Suez Canal [1], according to which the transport connection starts from Bombay in India via Iran territory and countries of Central Asia, Russia to the North Europe. For now there are seven countries, constant members of the corridor: Iran, the Russian Federation, India, Kazakhstan, Oman, Byelorussia, and Tajikistan. Membership of Armenia, Azerbaijan, and Syria will be approved within 30 days of accepting of the membership application. Meantime Turkey, Ukraine, Kyrgyzstan, and Bulgaria have already sent their official membership applications “Depositaries” to the state (Islamic Republic of Iran) which are being considered now [5]. Finland, Iraq, Kuwait, Korea, Malaysia, Singapore are also considering their membership in the corridor North – South.

One more of the main potentials contributing to the development of international co-operation East –West is the export of gas to Europe via Caspian Sea and Iran to the Northern Europe, and then to the Eastern and Western Europe. Gas will be one of the most important energy resources for Europe in the XXI century. According to the report of International Energy Association (IEA) the world consumption of gas will increase 97% till 2030. Iran has a significant potential of gas production and transfer. Due to this fact it can became one of the main suppliers of gas to Europe [6]. Ukraine proposed two routs of gas pipeline: Iran – Armenia – Georgia – Russia – Ukraine – Europe and Iran –

Armenia – Georgia – Black Sea – Ukraine – Poland – Europe [7]. In this connection the Ukrainian Government proposed to organise consortium of Ukraine, Poland, and Germany for realisation of gas to Europe, excluding Russia [8].

On the other side under the conditions of functioning of such transport infrastructure Ukraine has the possibility of direct utilisation of resources of the Persian Gulf.

**Conclusions.** The conclusion can be summarised as follows: in spite of borrowings and stabilisation of policy, in particular creation of the international transport corridors constructively influences the economy. Transport corridors also positively influence on the social development while new working places appear, contribute to acquaintance with the culture of other countries. They are similar to rivers due to which neighbouring territories continue existing.

The goal of every transport transit system is the development of trade and other forms of international co-operation. Poland as one of the European countries, member of the European Union, has convenient geographical position for transit of the goods from West to East and contra verse. Three corridors among the nine chosen by the European Union run through the territory of Poland. Two countries – Iran and Poland – can with the support of each other in the membership of the corridor North – South and TRACECA develop mutually beneficial co-operation, channels to exchange fresh, modern ideas, scientific technological achievements for strengthening of the peace and friendship between two large civilisations to secure peaceful coexistence.

In connection with remarkable growth of attention to the subject of globalisation and fresh, new understanding of security, necessity of rapid exchange of information and technologies, improvement of the living standard of the population and increase in demand for consumer goods development and broadening of internal, regional and international transport systems is intensified.

In spite of the fact that the lack of transport has never been the main problem selection of the distant and dangerous transport routs due to the political intervention makes the transport system ineffective. This all result in increase in consumer expenditures, limitation of activity on trade markets, increase in costs of manufacturing, lack of competitiveness in comparison with the other countries.

Among corridors mentioned above there are corridors TRACECA and NORTH-SOUTH running through Poland and Iran. What this countries really need is cooperation instead of opposition. Thus the use of tariffs and availability of two corridors allow cutting expenditures for transport which is of great importance in the trade relationships between two countries. Successful use of these two corridors will allow to connect such civilizations as Slavonic, Indian, Arabian, Iranian, Armenian, Turkish, and along with exchange of goods and passengers to promote exchange of thoughts and ideas, practical, economic, cultural and global achievements.

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