

SPECIFICS AND CONDITIONS OF RUSSIAN FAR EAST SEAPORTS DEVELOPMENT WITHIN THE FRAMEWORK OF INTERNATIONAL TRANSPORT AND LOGISTIC CORRIDORS

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The article analyses the current state and ways of development of Russian Far East seaports in the environment of national and international «East-West» transport-logistic corridors creation, as well as possibility of their integration into transnational cargo and passenger transportation system.

Keywords: sea ports, port-hub, international transport corridors, transport centre.

According to the federal document (draft) “Strategy of Russian Ports Infrastructure Development till 2030” developed by specialists from the Government and the largest maritime sector companies of the Russian Federation, Russia should work out the following main objectives [2] to create national seaport infrastructure with high competitive abilities at international level:

- provision of sufficient capacities for cargo transshipment ;
 - provision of economically efficient port infrastructure;
 - achievement of internationally competitive services provided by the Russian seaports;
 - ensuring safe and secure development and daily activity of the seaport infrastructure and maritime transport;
 - solution of social issues of the seaport infrastructure development.
- The decision to start transport complex modernization in accordance

with the Transport Strategy of the Russian Federation stipulates the development of the Europe-East Asia transport corridors. In this case according to the logistic scheme, the main traffic flows should pass through the ports of the Far East of Russia [1].

The perspective cargo base tending to the Russian Far East basin is expertly estimated in 400 million tons including 160 million tons of bulk liquids and 240 million tons of dry cargo. Generally the Far East ports cargo base is supposed to be provided by energy resources (i.e. oil and its products, liquefied natural and hydrocarbon gases, coal, coke), petrochemicals, metallurgical and mining products, food (i.e. grains, soybeans) and forest resources of Siberia and the Far East, as well as the containers of the East-West transport corridor [3-4].

At present 22 commercial and 10 fishing ports are located on the coastline of the Russian Far East (with total length exceeding 5.000 nautical miles). The largest of the ports with high potential turnover are: Vostochny Port (The Eastern Port), Nakhodka, Vladivostok, Posiet and Plastun in Primorsky Krai; Vanino, Sovetskaya Gavan and De Castries in Khabarovsk Krai; Kholmsk, Korsakov, Uglegorsk on Sakhalin Island; Magadan located on the shores of the Sea of Okhotsk and Petropavlovsk-Kamchatsky in Kamchatka. The combined turnover of these ports does not exceed 50 million tons at present. However, for example, tens of millions of transit containers are transported annually in the Asia-Pacific, Russia's share in this process is only 0.6%. The Russian Far East seaports process approximately one million tons out of 150 million tons of the Asian regional cargo, i.e. slightly more than 0.6% [5].

Currently, the main problems for the major ports of the Russian Far East are insufficient cargo transit capacity, lack of port communications and service lines, high level equipment wear as well as the insufficient handling capacity of the whole railway network. The last factor is crucial for further development of the port infrastructure in general and for the entire transportation system in the Far East. Therefore, it is necessary to modernize or reconstruct the existing railways segments, to improve logistics structure and enhance coordination between cargo owners, transit ports and joint stock company "OAO Russian Railways" authorities to solve the problem of cargo transportation in the ports of Primorye region.

Seaports of Russia, without doubts, belong to the category of

geopolitically significant freight centers, and its development makes changes both in land and ocean cargo flow networks. At the same time as per its geographical characteristics there is no reason to pretend to become the world's leading hubs or entrance ports that form the global cargo poles around. Creation of a regional hub in geographically convenient locations, e.g. in Kaliningrad, Vostochny Port is associated with a significant commercial risk due to high competition and vulnerability of its position regarding line carrier unions.

Today, serious development of the seaports in Primorye is impeded by existing and future problems in the transport infrastructure improvement and modernization. A lack of available additional space for new terminals construction and access communications is often a significant disadvantage of the seaports in Primorye. However, the Primorye region and its transport complex have the ability to integrate into the international network at the most advanced level, and become an effective partner of the transport systems of Japan, South Korea, Mongolia, and particularly China. In a sense, Primorye can be developed as the international logistics crossroads servicing freight and passenger flows in different directions for the Asia Pacific regional markets. What is being done in this area now?

Firstly, the Ministry of Transport of the Russian Federation together with the Primorye region administration plan the comprehensive development of the Vostochny Port-Nakhodka transport hub with port specific economic zone (PSEZ) based in Vostochny Port. PSEZ will be focused on servicing the transit freight, wholesale trade and commodity circulation.

Secondly, development of a port in Troitsa (Trinity) Bay near the Chinese border and its effective infrastructure can be the pilot project of the transit port hub, aimed at transport development and specialist training, as well as services techniques improvement and further development of international cooperation with China, Republic of Korea and DPRK. According to specialists, even at the worst the container traffic capacity in the region will be 2-3 million TEU, in optimistic way – 12-13 million TEU. With turnover of 10 million TEU the income of the transport system in the region could reach 15 billion U.S. dollars and gain about \$ 40 billion U.S. dollars with allowance for the PSEZ activity [5-6].

However, we can not ignore the fact that the commercial and financial

capabilities of the big line shipping companies are much higher than the ones of even the largest container terminal. The numerical growth of ports weakens the position of competing hubs when signing agreements, and the lack of Russian line ocean carriers playing the significant role in container traffic further weakens the idea to create hubs in Primorye. Thus, in particular, to organize a week of service on the Europe - Asia direction it is typically used 8-10 container ships calling at 8-12 ports on a circular route. On transatlantic way it is only 6-8 container vessels calling at 6-8 ports. Most often a large port performs several functions at once, e.g. playing the hub role for some ways and cargo, acting as terminal feeder for other directions and freight, carrying out coastal and river port functions – for the third. However, every port occupies a certain position in the hierarchy of maritime transport structure on one coast, which largely determines its capabilities and limitations. For example, even the Europe's largest seaport of Rotterdam is not a real hub, but only performs the role of "freight (logistics) pole". The concept of the port of Rotterdam development contains the term "port without borders", which well reflects the modern trend away from a port city to a network of ports based on higher degree of integration of the maritime and land transportation systems.

Speaking about Russian ports, we can mention that today the most advanced port in the country is the port of St. Petersburg which incorporates the transport and freight hub and logistics complex for foreign trade shipment. However, the growth of the port container traffic along (more than 1.2 million TEU per year) has set new and difficult tasks to improve efficiency, reliability and continuity of the port activities to the port administration.

In our opinion, only one port of the Far East of Russia has reached a level of development, infrastructure and technical support which allows it to pretend to perform the role of freight (logistics) pole. This is Vostochny Port. But there is also a problem here. Passing through the territory of Primorye the international transport corridors "Primorye-1" (Suifenhe – Grodekovo – port of Vladivostok – ports of southern China) and "Primorye-2" (Hunchun – Kraskino – Zarubino – Asia-Pacific ports) are still largely declarations and not an effective tool for logistics management. This situation strongly depends on such factors as slow

movement of goods, customs “hurdles”, lack of sufficiently diverse and large-scale commercial cargo base, required infrastructure etc.

In this regard we believe that today and in future the ports of Khabarovsk Krai, i.e. Vanino and Sovetskaya Gavan have the higher chance of successful development because of their higher potential for growth. The approaching path to them goes through the Baikal-Amur Railway, which is not as busy as the Trans-Siberian Railway. Further development of the port of Vladivostok is complicated due to territorial limitations; and growth of cargo traffic in other ports of Primorye is limited by the capacity of the Trans-Siberian Railway.

Compared to other Far Eastern ports both Vanino and Sovetskaya Gavan have the benefits of most convenient and deepest basins as well as possibility to improve available port facilities and approaches to it. Because of their unique location, meteorological and hydrological conditions these ports are “safe heavens” for vessels in almost all wind directions especially in stormy autumn season. And its superior geographical location also makes possible to perform freight transportation in difficult weather conditions all year round.

The analysis of both the situation and the cargo base expansion in the Far East shows that by 2020 Vanino-Sovgavansky hub (VSGH), which includes the ports of Vanino and Sovetskaya Gavan, will be able to process about 50 million tons of cargo. The potential cargo base attached to the hub is significantly higher than the specified amount of traffic. The most important are the prospects of production and export of coal, ores and ore concentrates, timber, especially from areas adjacent to the Baikal-Amur Railway.

However, the successful development of VSGH ports and as a consequence the growth of freight traffic and speed of transportation are hampered by abundance of “narrow” places in the Baikal-Amur Railway. From 2000 to 2010 the freight traffic volume through the Baikal-Amur Railway increased by 50%, and experts predicted that by 2015 it would additionally increase by 2-2.5 times. So we can say that the railway’s capabilities to handle such a flow of goods may become inadequate.

To solve the problem of insufficient capacity of the railway the JSC “OAO Russian Railways” is implementing an investment project of comprehensive reconstruction of the railroad segment between

Komsomolsk-on-Amur and Sovetskaya Gavan cities. The project includes reconstruction of Oune – Vysokogornaya part and construction of a new Kuznetsovsky railway tunnel planned to be commissioned in 2013. The total project's cost is about 23.77 billion rubles which includes 17.55 billion rubles of the Investment Fund of the Russian Federation and 6.2 billion rubles of the JSC “OAO Russian Railways”. Reconstruction of the Kuznetsovsky pass will allow to increase the capacity of the railway on this segment by 3 times. In total, in 2007-2009 the investments in the development and modernization of the eastern branch of the Baikal-Amur Railway within the boundaries of the Far Eastern Railway amounted for 11.7 billion rubles. During that time 10 new junctions were built and Vysokogornaya and Tumnin stations were reconstructed.

Development of the seaports capacity in the Far Eastern region is defined as one of the key objectives in the Transport Strategy of the Russian Federation. However, the growth of cargo volume and speed of freight traffic is hampered by such negative factors as the lack of due coordination between seaport and railway authorities, ineffective transit rates, poor transport infrastructure, etc. To improve interaction with the seaports and ensure long-term traffic growth it is necessary, in our opinion, to introduce system solution to the following triune task: seaport infrastructure (its transport component) and railway approaches development; formation of a competitive tariff policy within the transit foreign trade shipment and domestic freight transport for increasing the volume of cargo flow and implementation of advanced logistics technologies for all participants of the transportation process.

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