

Delivering cars from Japan to Russia: logistic scheme optimization using railway transportation from the Far East ports through Trans-Siberian Railway

The volume of Russian automotive market shows an aggressive growth, including transit cargo through the territory of Russian Federation to the Central Asian countries. According to the analysts' forecasts, 3 mln. of cars will be transported through the territory of Russia in year 2007 and this amount will exceed 3,5 mln. next year. In 2010 Russia will become the 1st car seller in Europe. Such an aggressive growth causes challenges as to consignors, so as to customers. Almost all new cars, including those delivered from Japan, are transported into Russia through the ports of Finland. It results in traffic jams of 150 km long on the Finnish-Russian border crossing. More than 70% of trucks crowding border appear to carry new cars for import. In order to ease the intense road junction and reduce bottlenecks on borders, optimization of car delivery logistics is needed.

Considering the Russian territorial characteristics, railroad transportation of Japanese cars can be very interesting for Japanese car manufacturers. Russian railroad capacities allow to draw in nearly 40% of all vehicle transportation volume.

In order to divert a part of all car transportations to railroad there is a need to develop terminal and railway infrastructure, which would be able to satisfy the needs of car manufacturers and importers in transportation service quality.

In order to increase the competitiveness of Russian railroad services in car transportation in February 2007 "RailTransAuto" JSC was founded. The company is a joint venture of "Russian Railways" JSC and "TransGroup AS" Co.Ltd.

The main scope of the services provided by the company includes the organization of complete logistic service on car transportation from the car manufacturers to the dealers.

Currently the rolling-stock fleet of the company accounts for 2000 car carrying wagons. By the end of 2008 the amount will reach 3500 wagons and in 2010 the rolling-stock fleet will number 5100 wagons.

In order to coordinate the interaction of different types of transportation the company puts into operation a network of several ports and inland terminals with siding tracks and special equipment for loading and unloading operations. Running of speed route trains between terminals is also planned.

The services provided at the terminal include not only storage, checking of vehicles document packages, custom clearance and loading-unloading services, but also a trial engine start, charging or changing of batteries, fuelling, car washing, checking pressure in tires, pre-delivery inspection. Additionally opening of container storage zones at the terminals is planned to enable the loading and unloading operation and storage of containers with component parts for assembling and spare parts.

The "RailTransAuto" terminals are located at the Far East region (Primorskiy Kray, terminal Zarubino at seaport of Trinity Bay), in Moscow region, in Yekaterinburg and Novosibirsk.

The “RailTransAuto” terminals at the Far East region and in Moscow are already put into operation enabling car transshipment. In the middle of year 2008 the terminals in Yekaterinburg and Novosibirsk will be commissioned.

Auto terminal “Zarubino” at the Far East region is located at nonfreezing seaport of Trinity Bay 86 km away from the city Hun Chun of Dzilin province of PRC. “RailTransAuto” JSC is able to handle and dispatch cars delivered to the port on ro-ro vessels and organize the further transportation throughout the territory of Russia.

The area of vehicle storage zone is 3,5 hectares (commissioning of the second stage with area of 3,5 hectares is planned in 2008). The auto terminal is equipped with 2 siding tracks and apparel. There is a post control, video surveillance at unloading, transshipment and warehousing zones. The complex is equipped with own self-contained telephone system and server. Also the system of control and access limitation and fire and security alarms are installed.

The further vehicle delivery by railway is realized with direction to our own terminals in Moscow, Yekaterinburg and Novosibirsk. Terminal “Mihnevo” is located 50 km to the South of Moscow Circular Highway, at the border of Domodedovsky and Stupino districts near slightly tangled “Moscow-Don” Federal Highway. The distance from the terminal to the highway is only 350 meters. Our own siding tracks 15 meters long adjoin the railway track of Mihnevo station. Currently the cars delivered by railway to “RailTransAuto” JSC Moscow terminal are handled on the territory with total area of 10 hectares which is planned to be expanded till 15 hectares in 2008.