**Informatīvā ziņojuma Pielikums Nr.1 –**

**Satiksmes ministrijas izstrādāts projekts**

**Concept of the Ministry of Transport of the Republic of Latvia for coordinating the field of transport and logistics**

**under the Initiative 16+1**

**Background**

The importance of closer economic ties, further deepening of information sharing and practical cooperation in trade, as well as construction of transportation network between China and Central and Eastern European countries was emphasized in the *Press Communiqué of the Meeting Between Chinese and Central and Eastern European Leaders* and *China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries.*

*The Bucharest Guidelines for Cooperation between China and Central and Eastern European Countries* recognized the necessity to discuss actively the possibility of building an international railway transportation corridor connecting China with Central and Eastern European Countries and encourage businesses to establish bonded areas and distribution centers along the railway routes to build a new logistics passage between China and Europe, as well as welcomed a high-level conference on transport, logistics and trade routes connecting Asia with Europe, which was held in Riga on 3-4 June, 2014.

*The Belgrade Guidelines for Cooperation between China and Central and Eastern European Countries* expressed support to improve the China-Europe international railway container traffic, making it a priority in deepening mutually-beneficial cooperation between China and Europe and improving connectivity and market-access between Asia and Europe, as well as encouraged relevant countries to facilitate customs clearance, create new logistics routes and hubs and the participation of businesses based on their own advantages. The Guidelines expressed support to the 3rd ASEM Transport Minister`s Meeting, which was held in Riga on 29-30 April, 2015 and supported to establish association on logistics cooperation between China and Central and Eastern European Countries*.*

Taking into account the importance of the cooperation development in the field of transport and logistics between China and Central and Eastern European Countries, which was emphasized in the above mentioned documents, Latvian side affirmed the commitment to coordinate the field of transport and logistics under the Initiative of cooperation between China and Central and Eastern European Countries 16+1 at the meeting between the Prime Minister Laimdota Straujuma of the Republic of Latvia and Premier Li Keqiang of the People's Republic of China in Belgrade in December 2014.

**Substantiation – why to choose Latvia as a coordinating country**

Latvia has a unique geographical and cultural position, providing a strategic location for transport and logistics operations targeting developed economies of the EU and emerging markets of eastern neighbors. Latvia is a natural gateway between the European Union, Russia/CIS countries and Asia.

Several international logistics companies (including Schenker – BTL, Kuehne and Nagel, Maersk, etc.) operate in Latvia, providing a wide-range of logistics services using main advantages of Latvia’s geographical location and transport infrastructure:

* **Ports**: One of Latvia’s main assets providing access to the world markets is its ports with maritime links. Latvia has three major, ice-free international ports – Riga, Liepaja and Ventspils – that are closely linked into the country’s infrastructure by rail, road and pipeline. Therefore, Latvia is a clear leader among the Baltic States in transit traffic volumes and cargo turnover;
* **Rail**: The main advantage of Latvian railway system is a dense railway network and sharing a common railway gauge (1520 mm) and an infrastructure with Russia and CIS countries, which continues to facilitate trade flows between East and West. Latvian ports are directly connected by regularly-scheduled container-block trains with the main markets in Russia, Kazakhstan, Central Asia, Belarus and Ukraine. The route of the Latvian container-block train “Baltika Tranzit” Riga-Almaty provide a good basis for further development of the container rail traffic between China and countries of Northern, Central and Eastern Europe.
* **Roads**: To the east, Latvia is one of only three EU countries that have a direct-access border with Russia, making it ideal for East-West trade. The Russian highway M9 – the developed road-freight route known as the Baltic Highway – connects Moscow directly with Riga, where it also joins with the Via Baltica highway E67 running north and south between Helsinki, Tallinn, Riga, Kaunas, Warsaw and Prague.
* **Air**: Riga International Airport (RIX) is the largest airport in the Baltics with direct flights to more than 80 destinations around the world. RIX is also conveniently located, directly connecting with major roads including Via Baltica and the Baltic Highway. The Latvian national air carrier *airBaltic* is the largest air carrier in the Baltic States, providing well connected flight network in Europe and negotiating regular flights between Latvia and China.

Latvia has recently successfully coordinated and organized the 3rd ASEM Transport Minister`s Meeting, with participation of global lead logistics providers, international organizations and cargo owners, which took place in Riga on 29-30 April, 2015 and addressed the importance to develop sustainable and efficient Eurasian overland transport corridors and transcontinental railway transport links, as a rapidly expanding supply chains, in order to facilitate the growing trade flows between Asia and Europe.

**Objectives of the coordination**

The coordination of the field of transport and logistics will contribute to achieve the following objectives:

1. Strengthen cooperation in the field of transport and logistics through bilateral and multilateral contacts, aiming at the development and improvement of integrated transport corridors between China and Europe;
2. Promote and coordinate implementation of the investment projects in transport and logistics between China and Europe, in order to improve and provide new logistics services solutions between Europe and Asia;
3. Fostering the information exchange on transport and logistics services in China and 16 Central and Eastern European Countries – to promote closer cooperation and harmonization among public and private stakeholders in the framework of the Initiative 16+1;
4. Expanding the container train routes development between China and Europe, recognizing the market potential of environmentally friendly railway transportation routes, in order to strengthen competitiveness of the Silk Road land routes;
5. Improving the supply chain and border crossing between China and 16 Central and Eastern European Countries, in order to remove bottlenecks and reduce administrative burdens in transport documentation, including customs and other border-crossing procedures.

**Coordinating mechanism**

The coordination of the field of transport and logistics foresees to create a special secretariat under the Ministry of Transport of the Republic of Latvia, to be in charge of the following activities:

1. Creation of the New Information Platform (web page) with the following information:
* Information on the 16+1 format, main documents, member states and its transport and logistics infrastructure;
* Information about main events, conferences and forums of transport and logistics sector, presentations, documents, participants in the 16+1 member states;
* Information on the main projects in the 16+1 member states and cooperation projects in the field of transport and logistics;
* Information on the transport and logistics services and opportunities of cooperation in the 16+1 member states;
1. Organizing of the First Annual Transport minister`s meeting of 16+1 in Riga in 2016. Further Annual Transport minister`s meetings shall be organized in the member states of the Initiative 16+1 in rotating order;
2. Providing the main information of the cooperation in transport and logistics in the framework of 16+1 for public and private partners and organizations from the member states of 16+1 cooperation format;
3. Preparing and providing reports on the progress of cooperation on the field of transport and logistics for the Summits of the Prime Ministers of the Initiative 16+1;
4. Taking part on all important cooperation events on transport and logistics, organized by China and others Central and Eastern European countries of the 16+1 format.