CHAPTER - 5
In this chapter, an analysis is offered on the existing transportation channels from India to CIS countries. Most of the trade is multi-modal in nature. Sea route from Mumbai to Bandar Abbas features in most of the trades. Other rail road transportation facilities through Europe and Central Asia, Russian Far East, Baltic Republics, Caspian Sea and China Route are discussed. We have also discussed the existing trade route and proposed 2 new land routes.

5.1 Supply chain components with respect to CIS

Most countries in the CIS region share some common economic characteristics, such as difficult terrain and lack of direct access to the sea, underdeveloped transport infrastructure, and a largely commodity-oriented structure of exports. Other elements of supply chain are discussed below (Prothero, 1999):

**Custom Clearance:** Customs have a key function in any country's economy. They have a preventive function to stop things coming in that customer do not want. They have a tax collecting function to collect revenue, to which the government is entitled, import duty, taxes, and so on. But those procedures and regulations need to be simple and clear so that every trader understands them. A great deal of work has been done in the industry to simplify customs procedures, simplify documents, simplify entry and form filling, and speed passing vehicles across borders, pass trains across borders, and pass passengers across borders. Issues of harmonization of customs procedures between the countries are issues customer will have to face. Custom clearance in most of the countries in CIS region is not streamlined and takes lots of time.

**Security:** Every country needs security on its borders. Security means checking and controlling people and traffic whether it is at the airport or at the border point. Government policy should combine an effective order of security with a freedom of internal travel. Once a truck has passed the border and passed the security, it should
then be essentially free to go to its destination whether it is inside that country or across it, or into a third country. Some of the CIS countries share border with Afghanistan and Pakistan. So there is always a security concern attached to the trade.

**Border crossing procedures**: This is tied up with the previous two elements. But it also involves provision of proper facilities for trucks and for passengers. The border crossing procedures should be as simple and as clearly defined as possible. For encouraging economic cooperation it is necessary to encourage trade. Border crossing procedures have to make simpler for the CIS countries so that goods from India and other countries can easily come through the CIS countries.

**Vendor management**: Freight forwarding, warehousing and other logistics-related services have been privatized almost entirely in these countries. Compared to international standards the supply of these services is poor, and the quality of the services is often low. The freight forwarding industry’s own associations are weak, if they exist at all. In Kyrgyz Republic, Turkmenistan and Tajikistan, for example, FIATA recognized associations do not exist. Forwarders lack international experience and the sector has not yet grown mature. This leads to forwarding companies that do not take their responsibility seriously and fail to act when cargoes are lost or damaged. Only a few forwarders are able to offer a full and global service to their clients. As a result, shippers have to enter into a contract with forwarders in each country along the transport corridor. This causes unclear responsibilities and liabilities. Besides, advance payment is often required. Due to lack of competition among freight forwarders, their fees are often higher in the CIS countries than in a Western European country. The legal framework is also weak and international standards are not yet incorporated. Many of the international logistics companies complain that reliable and cost-efficient logistics solutions are difficult to arrange due to unpredictable public administration procedures and often corrupt practices.

### 5.2 Transportation

Much of the wider Central Asia region faces the predicament of being landlocked, resulting in high transportation costs, reduced competition, and lower investment.
Many studies demonstrate that being landlocked has a negative impact on trade and economic development. Moreover, the negative effects of being landlocked are exacerbated by the number of borders that need to be crossed to reach major international seaports, as neighboring countries collect transit rents, and lack of harmonized trade and transit policies raises trade costs.

Improved transportation links would have important economic consequences for the region. Availability of a reliable and reasonably timely railway link out of Central Asia to compete with Russia’s existing network would spur regional diversification of trade in the post-Soviet Central Asian republics. Faster road and air transportation could play a crucial role in diversification of the commodity composition of exports, increasing the region’s competitiveness for time-sensitive goods, such as agro-processing, industrial intermediates, and light consumer goods. Furthermore, the reconstruction of the road network in Afghanistan will facilitate other regional initiatives such as the construction of pipelines and electricity transmission lines.

**Roads system of CIS**

Central Asian Road links basically connect each other. In Kyrgyzstan, there is 33,888 km road (Vosoughi, Shahmansori, 2008) that is connected to Uzbekistan through Tajikistan and linked to Russian Road system in North. Tajikistan road networks length is 29,900 km, out of which 8,500 km (Vosoughi, Shahmansori, 2008) has been built in mountainous area. Being in a freezing zone during winter this stretch of road remains unusable at least in one season. Building of roads in Tajikistan is very difficult because of natural barriers. But without its road network, it cannot get connected to other parts of Central Asia. Iran is building Dushanbe-Herat highway, after completion it will connect Iran to Tajikistan and Afghanistan through land route. Uzbekistan is one of the two land locked countries where for reaching the sea, two territories need to be crossed. Lack of coasts in this country force them to do its major trade and transportation through rail and road lines.

Uzbekistan government is presently building a transit route via Afghanistan to Iran for transporting goods. At present goods and passenger pass through Iranian territory. Uzbekistan approaches Bandar Abbas port by passing Sarakhs in Iran-
Turkmenistan border southern Khorasan, Kerman and finally Hormozgan province. This direction enables Uzbekistan to reach aimed markets. Uzbekistan is also seeking Afghanistan in the case of security and stability of Afghanistan. They are thinking about connecting Uzbek rail network to that of the Iran via Afghanistan territory, if such work done Termez- Mazarsharif-Herat path will be more suitable for Uzbekistan.

Turkmenistan in compare with Tajikistan, Kyrgyzstan and Uzbekistan has better situation from road point of view. Turkmenistan road's length is about 50023 km, this country doing some part of its transportation through sea. Turkmenistan trying to optimize its transportation network between Eshgeabad-Mary and Eshgabad-Turkemnbashi and also building highway which passing Amudarya through a bridge near Charjo.

After the disintegration of Soviet Union, the amount of Central Asian trade with CIS states and their foreign trade has increased. Main reason for increase was production and export of raw materials. In this regards, reaching to the market for the sale of raw material and goods of Central Asian countries became important. For obtaining these goals Iranian routs were perceived as the most secure, cheapest and nearest route. Iran is located on the Silk Route which is said to be about 2000 years old. Presently Silk Road is synonymous of economic and political development combined with oil and gas and raw material trade.

5.2.1 Existing Trade Logistics
The existing land transport infrastructure within the Central Asia sub region is relatively well developed. Road and rail connections link all capitals and economically important areas, thus there are no major linkage problems. Crossing the borders by transports, particularly between the Commonwealth of Independent States (CIS) member countries reportedly presents no serious difficulty as there are appropriate agreements in place. However, in terms of international transport needs, the transport infrastructure in the Central Asia Sub region has certain limitations. Firstly, its outlets have been developed (due to a prevailing orientation in the past) mostly to the North, and secondly roads as well as railways (despite servicing well
the domestic transport needs) are to meet the new requirements which land transport is facing nowadays in connection with the new political and economical orientation of the all Central Asia Republics (Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, Kyrgyzstan i.e., CAR) manifested in their opening to the rest of the world.

Goods between India and CIS move only by sea and air because there is hardly any road connectivity between these two regions. The sea route between Mumbai and Bandar Abbas (Iran) is operating unhindered and has been the only consistent operational link. Since there are only two main operational routes for goods to be transported to and from CIS, traders are faced with a very limited choice of route. For a trader based in Mumbai, trading by sea from Mumbai to Bandar Abbas is the most feasible route. Goods are also sourced from other cities in Maharashtra and Gujarat. Traders who are sourcing their goods from Amritsar or from other cities located in Punjab, Delhi, Haryana, Rajasthan, Jammu & Kashmir may use land routes between India and CIS if there is a land route exist.

Due to non existence of land route, exporters are forced to use the sea route even if they are located in far off place. Traders from northern part of India used land-cum-sea route. Thus goods are first transported by the land route to Mumbai and then to CIS by Sea.

A detail route flowchart with relevant information is produced in Chapter 7 (flowchart 7.1, 7.2 & 7.3) developed with the feedbacks received from the survey conducted among traders. Three representative items (meat, drugs & pharmaceutical, and aluminum sheets) originating from different regions of India have been taken for illustration.

5.2.2 Rail-Road Transportation Facility to CIS

Indo-CIS trade primarily moved through the Black Sea ports of Odessa, Ilyichevsk and Kherson. Since all the major Black Sea ports were located in Ukraine and traffic for Central Asia Republics had to transits through other states as well, the cumulative factors of increase in rail freight and transit delays began to make transport through the Black Sea route uneconomical. The international trade cargo movement through the ports of Bandar Abbas and Bandar Khomeini in the Persian
Gulf and by the land route across Iran is viable. The goods/containers did initially cover the land route by road, till such time that Bandar Abbas and Savakhs (on Turkmenistan border) were connected by rail. Transiting through Iran, the goods not only move faster but the overall distance has been reduced to virtually half of Black Sea route. The rail route having been established the movement is further facilitated (Khanna, 1997).

In 1997, Maj. Gen (Retd) Khanna conducted a study on movement of transit trade via various CIS ports to rest of the CIS countries & CARs. Major findings of the study were as under:

a. **Europe and Central Asia**

   Black Sea ports are having constant berthing problems, and due to congestion, the shipment gets delayed whereas St. Petersburg allows only containerized traffic and there is no provision for movement of bulk cargo. Novorossiysk is still in the process of development, hence still not viable (Map 5.1).

**Map 5.1: Transit trade via various CIS ports to Europe and Central Asia**
b. Russian Far East

This route through (Nakhodka and Vladivostok ports), due to large distance between CARs & Far East, is also not economical to Indian exporters (Map 5.2).

c. Baltic Republics

The well-developed port of Riga in Latvia falls in this region (Map 5.2). The Baltic States are developing other ports like Klaipeda in Lithuania and Tallinn in Estonia. These ports have a disadvantage of long distance from Indian ports, resulting in high tariffs and longer transit time.

Map 5.2: Transit trade through Nakhodka and Vladivostok ports
d. Caspian Sea

The Republics of Central Asia are linked by Rail to the Turkmenistan port of Krasnovodsk on the Caspian Sea. From here shipping is available through the Volga River to the Black Sea and on to the Mediterranean. This route is however not an all weather option as it closes down in winter (Map 5.3).

e. China Route

So far as China is concerned, a rail route linking Kazakhstan and China through Xinjiang existed during the peak of Sino-Soviet friendship but was closed in 1961. This route is again operational and the Central Asian and Chinese railway systems have been connected through a rail link between Kazakhstan and Urumqui city in China through the Altau Pass in North Xinjiang, since September 1992 (Map 5.3). This connects the entire CIS Railway Network to the Chinese Railway Systems right up to Beijing. Since the railway track between Tedzen in Turkmenistan and Mashad in Iran is linked at Sarakhs, a rail link is available right from China through Central Asia and then into Europe. Therefore, in comparison to the other routes to CAR i.e. via Black Sea ports and via Europe, the route via Iran is not only shorter in terms of distance and time but will be the most efficient cost effective route.

Map 5.3: Trade through China route to Caspian Sea
5.2.3 Rail-Road link to CIS

Long distance in transits and high freight charges due to location of CAR countries (Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, Kyrgyzstan) being land-locked has been an obstacle in improvement of trade between India and CAR countries. The established land routes through Bandar Abbas is considered more economical in terms or saving of time, safety of cargo and competitive tariff to make it more attractive for the exporters and importers in India & CAR countries.

In section below the existing sea route and multi-modal route (North-South Corridor) are analysed and two new land routes are proposed.

5.3 Existing Routes

5.3.1 Route via Suez Canal and Mediterranean

The Suez Canal is an artificial sea-level waterway running north to south across the Isthmus of Suez in Egypt to connect the Mediterranean Sea and the Red Sea. The canal separates the African continent from Asia, and it provides the shortest maritime route between CIS and the lands lying around the Indian and western Pacific oceans. It is one of the world's most heavily used shipping lanes. This route allows the transportation of goods from India to CIS without navigation around Africa (Map 5.4). Transport of goods from India to CIS countries takes around 35 days via the Suez Canal/Mediterranean route (Business Line, 2006). The Suez Canal can accommodate huge vessels of 500 meters long, 70 meters wide and a draught of 70 feet. The present capacity of the Suez Canal has reached more than 25000 vessels annually (Suez Canal Authority, 2007). Suez Canal is artificial waterway in Egypt, connecting the Mediterranean Sea to Gulf of Suez, and then to the Red Sea. The canal is 163 km long, and its width varies, and 60 meters at its narrowest (looklex.com). The canal is extensively used by modern ships, as it is the fastest crossing from the Atlantic Ocean to the Indian Ocean.
5.3.2 North-South Corridor:

New Delhi, Moscow and Teheran signed an agreement in St. Petersburg on September 12, 2000 for sending Indian cargo to Russia through a ‘North-South Corridor’. According to the arrangement Indian goods will be sent from Mumbai or Okha to the Iranian hub of Bandar Abbas via the Strait of Hormuz in the Persian Gulf (Map 5.5). From here, containers be reloaded on trucks or railway wagons and dispatched to the Iranian port of Anzali on the Caspian Sea. After trans-shipment at Anzali, goods will be loaded on ships and taken to the Russian port of Astrakhan. Astrakhan, in the past, has been the springboard for expanding Tsarist Russia’s influence towards Central Asia (instc.org).
The land route from Astrakhan to the Russian mainland is straightforward and containers from here can be sent either to Moscow or St. Petersburg.

**Advantages of the route**

1. Transportation of Indian goods to Russia via Bandar Abbas and a designated port in the Caspian Sea will reduce transportation costs by 20-30 per cent and the transportation time by nearly 15 days (Parthasarthy, 2002).

2. Compared with the 16,129-kilometer route through the Suez Canal and the Mediterranean Sea that is currently used, the North-South Corridor is just 6,245km long. It will cut transport time by at least 10-12 days and transport costs by about 15-20 percent (Ramachandran, 2002).

**Disadvantages to the route**

Potential of the transport corridor will be determined by the funds available to upgrade the rail and road networks and other related infrastructure of India, Russia
and Iran. There is also the security issue. The North-South corridor runs through the politically unstable Caucasus region. Few will be willing to send cargo through conflict-ridden Chechnya or Daghestan. Besides, many Western countries, given their hatred for Tehran, will be reluctant to opt for a route that runs through Iran (Ramachandran, 2002).

5.4 Proposed Routes

5.4.1 India-China-Kyrgyzstan Route: China is connected by road to Kyrgyzstan through the Xinjiang province. India could use this road by constructing a link road in Ladakh joining the Tibet-Xinjiang road (TibetTravel.info, 2007). Ladakh is already linked by road with Himachal Pradesh (Map 5.6). Therefore, connectivity is what India and the CIS should focus on if existing relations need to be strengthened.

This route is consisting of two sections beyond Ladakh.

Map 5.6: India-China-Kyrgyzstan Route
a. Xinjiang-Tibet highway (TibetTravel.info, 2007): It is also called the national highway 219, with a total distance of 2,743 km. It is the highway with the highest altitude in the world. The highway starts from Yecheng, a city in southern Xinjiang Uygur Autonomous Region, passes by Gar County in Tibet and reaches Shiquanhe town, which is located in Ngari prefecture, Tibet. Then the highway winds south to Burang County, where China borders India and Nepal. The highway turns east to converge with the China-Nepal Highway, and then extends to Xigaze and finally stretches into Lhasa. The highway winds its way among several mountains, five of which soaring more than 5000 meters (16400 feet) high above the sea level.

b. Kashgar-Torugart Pass –Bishkek Route (advantour.com): The road is mainly asphalt – it being the main road between Bishkek and Kashgar. There is one stretch before Naryn which is gravel – over the Dolon Pass – but even this is quite good. However, the road surface can be uneven which can make for a bit of bumping around. The road heads east from Bishkek along the Chui valley with mountains in the distance on the right hand side. There are two possibilities - the old road, which passes through a number of villages - and the new road - built sometime in the 1960s, which bypasses the many villages. It is dual carriageway and runs parallel to the Chu River, which forms the border with Kazakhstan for much of its length. Distance from Kashgar to Bishkek is 730km (Table 5.1).

<table>
<thead>
<tr>
<th>Route</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Delhi – Manali</td>
<td>585 km</td>
</tr>
<tr>
<td>Manali – Ladakh</td>
<td>475 km</td>
</tr>
<tr>
<td>Ladakh – Kashgar</td>
<td>800 km</td>
</tr>
<tr>
<td>Kashgar – Torugart Pass</td>
<td>180 km</td>
</tr>
<tr>
<td>Torugart Pass – Bishkek</td>
<td>550 km</td>
</tr>
<tr>
<td><strong>TOTAL DISTANCE</strong></td>
<td><strong>2590 km</strong></td>
</tr>
</tbody>
</table>

Source: Dwivedi, 2007, go2india.in, advantour.com
Poor Infrastructure at Torugart Pass (Asian Development Bank, 2008): Road conditions are poor and customs infrastructure and facilities at the Torugart border post do not comply with international standards and need modernization. Border crossing is often reported to be delayed due to inadequate customs facilities and complicated procedures. Travelers are required to go through clearance at the border by several government agencies, including those responsible for border control, customs, sanitary, and transport. This results in the prolonged border crossing and travel time from Bishkek to Kashi takes up to 4 days. This situation constitutes a major barrier to regional trade. Improved roads and customs infrastructure, as well as efficient cross-border procedures - such as a single-window 6 services and automated clearance of border traffic - would help remove this barrier to ensure free flows of traffic and boost trade and commerce.

Asian Development Bank is the lead partner in developing the transport sector in the Kyrgyz Republic. The project described below is included in the Joint Country Support Strategy for the Kyrgyz Republic (2007-2010). It will complement ADB-led investment and policy dialogue in the country and complete a key transport corridor connecting Bishkek, the capital of the Kyrgyz Republic, to Kashi in the People’s Republic of China. The estimated completion date is 31st March 2012.

Bishkek Torugart Road Project (Asian Development Bank, 2008):

Project Description: The 500 kilometer (km) Bishkek–Torugart road is part of the Central Asia Regional Economic Cooperation (CAREC) Corridor 1 linking the Kyrgyz Republic with the People’s Republic of China (PRC) and other Central Asian countries. The Torugart post is a major border control and customs facility between the Kyrgyz Republic and the PRC. The road condition is poor, border-crossing facilities and procedures are outdated and inefficient, and they obstruct international traffic and trade. Improved road and customs infrastructure will remove the obstruction and open up this corridor for wider regional trade and economic cooperation. It will reduce travel and transit times from the current 3–4 days to 2 days. Improvement of
the Bishkek–Torugart road will be implemented in three phases and includes (i) improving 488 km of the Bishkek–Torugart road in the Kyrgyz Republic and the 20 km Bishkek bypass road, (ii) modernizing infrastructure and facilities at the Kyrgyz Republic–PRC border crossing at Torugart, and (iii) policy and institutional support in the road sub sector.

**Project benefits:** By improving the Bishkek–Torugart road, the Project will substantially reduce the existing obstruction to trade and foster regional economic cooperation. The entire region will benefit from the Project, while the project area will gain through economic development and increased access to markets and social services. Improving the project road will reduce transport costs, contribute to commercial and industrial development, develop tourism, and generate employment opportunities.

**Traffic Forecast:** International traffic is minimal at present but it is expected to grow rapidly after improvement of the project road. Based on an analysis of trade patterns between the Kyrgyz Republic and the PRC, international generated traffic is projected to grow from the current 80 trucks per day to over 200 trucks per day by 2015. Total international traffic is projected to reach 1,500 vehicles per day by 2032. Other international traffic may be diverted from rail or other modes of transport, or other CAREC transport corridors.

**Roads in Kyrgyzstan** (Vosoughi, Shahmansori, 2008):
Roads dominate the transport sector of the Kyrgyz Republic, accounting for about 94% of freight tonnage movements and almost all passenger traffic. The railway network consists of two separate branch lines, one linking the north of the country to the Kazakhstan’s rail system and another linking the south to Uzbekistan’s rail system, with no direct link between the two. Air transport accounts for less than 1% of total movements, and these are mainly between Bishkek and Osh. Water transport is confined to a few vessels on Lake Issyk-Kul.

The road network in the Kyrgyz Republic covers all seven oblasts (provinces), and provides connections to remote communities and links to neighboring countries. The
road network comprises 34,720 kilometers (km) of roads, 18,810 km of which are public roads and 15,910 km of which are urban, rural, agricultural, industrial, and other roads. The road network of the Kyrgyz Republic carries about 95% of the country's passenger and freight traffic. The total length of international roads is 4,163 km, national roads total 5,678 km, and local roads total 8,969 km; the length of paved public roads is 7,228 km, comprising 11 km of cement-concrete roads, 4,969 km of asphalt roads, and 2,248 km of bitumen treated gravel roads. The total length of gravel road is 9,961 km, and there is 1,621 km of unpaved roads (Table 5.2).

Table 5.2: Summary of the Road Network

<table>
<thead>
<tr>
<th>By Class</th>
<th>International</th>
<th>National</th>
<th>Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length (km)</td>
<td>4163</td>
<td>5578</td>
<td>8969</td>
<td>18810</td>
</tr>
<tr>
<td>% of total</td>
<td>22</td>
<td>30</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Type</th>
<th>Paved</th>
<th>Gravel</th>
<th>Earth Road</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length (km)</td>
<td>7225</td>
<td>9961</td>
<td>1621</td>
<td>16610</td>
</tr>
<tr>
<td>% of total</td>
<td>38</td>
<td>53</td>
<td>9</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport Communications of the Kyrgyz Republic

Vehicle fleet in Kyrgyzstan: The motorization rate in the Kyrgyz Republic is low by international standards. The vehicle fleet numbered about 271,000 in 2007, including around 229,000 cars and buses, and 41,700 trucks (Table 5.3). This was equivalent to 54 vehicles per 1,000 people. The vehicle fleet has recently grown rapidly at an annual rate of 5%. This trend is projected to gain further momentum with continued strong economic growth in the country. The rapid increase in vehicle fleet size will require development or improvement of road infrastructure.

Table 5.3: Composition of Vehicles in Kyrgyz Republic

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars/buses</td>
<td>176,643</td>
<td>200,043</td>
<td>191,423</td>
<td>202,520</td>
<td>220,359</td>
<td>229,644</td>
</tr>
<tr>
<td>Trucks</td>
<td>77,845</td>
<td>68,394</td>
<td>54,638</td>
<td>42,679</td>
<td>41,566</td>
<td>41,716</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Communications of the Kyrgyz Republic.
Building roads in Kyrgyzstan is difficult and expensive: In Kyrgyzstan which is a mountainous country, building roads is a very difficult task and makes it very expensive. Roads connected to Shimkent, Namangan, Jambyl and Almaty in Kazakhstan, Namangan, Dushanbe in Tajikistan, Tashkent and Furghane in Uzbekistan. Some parts are also connected to Kashgar in China through Bishkek road. It is worth mentioning that Iran is helping these countries for road development. Some projects that Iranian companies are doing in Kyrgyzstan are as follows (Vosoughi, Shahmansori, 2008):

1. Repairing and renovation of some part of Abad-Azgen and Madaniat 52km financed by Islamic Development Bank.
2. Some part of Madaniat Road (10km)
3. Second part of Jalalabad-Zgen road
4. Third part of Jalalabad-Azgen (16km)
5. Fourth part of Jalalabad-Azgen in next two mounts will ready to use
6. Mending of Jalalabad street financed by World Bank
7. Big project of kara Darya bridge and leading roads to it with 180km length and 20 meter wide, financed by Islamic Development Bank 85% of projects has been completed.

Main advantage of the India-China-Kyrgyzstan route is that it is almost 60% shorter as compared to the multi-modal route used by traders via Bandar Abbas. However there are some hindrances in using it. For example, the link road from Ladakh to Kashgar on this route is under Chinese military occupation and it may be difficult to get permission to use it. Also, the existing road from Torugart Pass to Bishkek is not in good condition. It needs lots of improvement to become of international standard. The route is also 10% longer than the India-Pakistan-Afghanistan-Turkmenistan route which we have discussed later in this chapter.

5.4.2 India-Pakistan-Afghanistan-Turkmenistan Route: The shortest route from India to the Central Asian republics is through Pakistan and Afghanistan (Table 5.4). Goods from Delhi can be transported from Lahore, Peshawar, and Herat to reach Turkmenistan (Map 5.7).
Transport and logistics in Afghanistan

Since Afghanistan is a land bridge between many countries, the main trade routes are highways and roads that link various areas of the country with neighboring states. The main highway artery running through Afghanistan is the ring highway. This road links Kabul to Kandahar in the south, which links to Herat in the west, to Mazar-e-Sharif in the north, and then back to Kabul. The first paving of the Kabul to Kandahar road was completed by USAID in December 2003 and multilateral plans to rehabilitate and complete the ring road include Japan, the Asian Development Bank, Saudi Arabia, and Iran (Nawabi, 2004).
Afghanistan offers new and expanding trade routes. The improvement of its transport infrastructure supports Afghanistan's trade nexus, both in country and across its borders. It is estimated that 60% of overland transportation comes to or from Pakistan, 30% to or from Iran, and a combined 10% through borders with the Central Asian republics (Shah, 2003). To the north, in Turkmenistan, Uzbekistan and Tajikistan, goods and commodities flow on main transit routes south through Afghanistan to the ports of Bandar Abbas and Chah Bahar in Iran, and Gwadar and Karachi in Pakistan. An important demand in the logistics sector is the provision of cold transportation and storage facilities such as cold rooms and refrigerated trucks and containers. Some 20-40% of post-harvest horticulture products are wasted because of poor packaging. In cold storage transportation, there are currently less than 50 refrigerated trucks available around the country (Shah, 2003).

**Barriers to trade in Afghanistan**

Security issues often obstruct and distort trade. Afghanistan's *Doing Business* overall rank is near the bottom at 159th (out of 178), although it is much higher (24th) in the *Starting a Business* subcategory. As expected in a politically unstable country racked by insurgency, its governance indicators are very poor (Worldbank, 2008). Afghanistan is ranked last (out of 150 countries) on the 2006 Logistics Performance Index and with high average per container export costs and very long processing times, its *Doing Business—Trading Across Borders* subcategory rank is also near the bottom at 172nd. A number of problems hinder trade and tend to keep it in unofficial channels. As is generally incorporated in the aforementioned indicators, these problems include (i) severe weaknesses in the business climate and de facto regulatory environment for trade, reflecting among other shortcomings a lack of capacity in the concerned government agencies; (ii) transport and other infrastructural constraints (although rehabilitation of some of the major highways has greatly improved the situation on some routes); (iii) lack of key support services, such as commercial insurance and freight forwarding; (iv) restrictions against use of foreign trucks (in Afghanistan as well as in its regional trading partners); (v) lack of access of a overland trade route to India through Pakistan, hindering trade with
South Asia’s largest economy; (vi) cumbersome customs clearance in some of the more problematic border areas (although, with support from the World Bank and other external partners, Afghanistan has embarked on a major program to strengthen and reform its customs administration) (Worldbank, 2008).

Transit of goods from India to Afghanistan via Pakistan

A commonly used trading route between Afghanistan and Pakistan is the Kabul to Peshawar highway. Major crossing points in Afghanistan to Pakistan include Torkham, Nowapass, Marawara and Barikot. The largest official trade crossing in the south to Pakistan is at Chaman in Kandahar province (Nawabi, 2006).

Table 5.4: Distance from New Delhi to Ashgabat

<table>
<thead>
<tr>
<th>Route</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Delhi – Lahore</td>
<td>530 km</td>
</tr>
<tr>
<td>Lahore – Peshawar</td>
<td>436 km</td>
</tr>
<tr>
<td>Peshawar – Kabul</td>
<td>236 km</td>
</tr>
<tr>
<td>Kabul – Herat</td>
<td>628 km</td>
</tr>
<tr>
<td>Herat – Ashgabat</td>
<td>535 km</td>
</tr>
<tr>
<td><strong>TOTAL DISTANCE</strong></td>
<td><strong>2365 km</strong></td>
</tr>
</tbody>
</table>

Source: lonelyplanet.com, Indian Express. 2003, cybercity-online.net, timeanddate.com

Advantages of the route

1. This is the shortest possible route from India to CIS countries. It is 65% shorter than the existing route and 10% shorter than the proposed route passing through China.

2. All the locations in the proposed route are well connected through roads
Disadvantages to the trade route:
The denial of transit facilities by Pakistan is hampering Indian efforts to help in the economic development and reconstruction of Afghanistan. If the route through Pakistan is opened, less time will be consumed and goods will reach Afghanistan at cheaper costs. India is engaged in a huge reconstruction exercise in Afghanistan worth $650 million in diverse fields and has been asking Pakistan to allow these and other humanitarian supplies to be transported through that country. In the absence of the transit facility, Indian supplies are taken to Bandar Abbas in Iran and transported by road to Afghanistan (Spanta, 2006).
References


Khanna, J. (1997). Rail Road Transportation facilities to Central Asian Republics. ICCCI NEWSLETTER.


