

(Mosgioprotrans, Nizhegorodmetroproekt and the Second Design and Survey Institute of Chinese Railways) signed a contract to develop design documentation for this project.

On 3 September, Russian Railways signed a memorandum of intentions with the Port of Yingkou Group on the construction of joint logistics centres, including in the Moscow Region, on a common operational platform for the further provision of integrated services. The first freight was shipped from the Port of Yingkou to Russia in October.

Interaction with international organisations

Russian Railways continued its chairmanship of the International Union of Railways (UIC) in 2015. Russian Railways President Oleg Belozеров was elected chairman of the UIC for 2016 under a resolution adopted at the 87th General Assembly of the UIC.

As a result of joint efforts by Russian Railways and the UIC headquarters, the Committee on Non-Governmental Organisations of the UN Economic and Social Council adopted a favourable decision to raise the status of the UIC to that of a Special Advisory body.

Based on an initiative from Russian Railways, the UIC adopted the important decision to set up a joint working group of the Organisation for Co-operation between Railways (OSJD) and UIC to draft international railway standards for the 1520 cluster.

A concept for the development of international transportation corridors prepared by Russian Railways as part of the UIC Global Expert Group on international transportation corridors was published in May. A number of significant documents were also drafted as part of the security platform against acts of unlawful interference in railway transportation.

In June, the OSJD completed work on the draft Convention on Direct International Railway Transportation along with its

Thus, a full-scale dialogue mechanism has been formed to link the processes of Eurasian economic integration with the construction of the Silk Road Economic Belt.

Russian Railways also devotes considerable attention to establishing a constructive dialogue with Japanese businessmen concerning the development of cooperation in railway transportation.

appendices. The Convention is to be officially adopted after it is considered at the International Intergovernmental Conference and the relevant internal government procedures are carried out.

Comprehensive amendments and additions to the Agreement on International Goods Transport by Rail (SMGS) and procedural instructions for the SMGS took effect starting from 1 July.

A joint working group between NC Kazakh Temir Zholy, Russian Railways and Belarusian Railway prepared proposals for the draft Customs Code of the Eurasian Economic Union, including with respect to the provision of preliminary information about goods being transported as well as the customs procedures for customs transit and the declaration of international transportation vehicles.

The Group's activities within the format of the BRICS Business Council helped to further converge the positions of BRICS nations on matters concerning the development of joint commercial projects.

On the path to change



Alexander Saltanov
Vice President
of Russian Railways

In 2015, the Russian Railways Group continued to work amidst a challenging foreign economic and macroeconomic situation. The changing geopolitical and geo-economic conditions forced to us to search more actively for different opportunities to achieve the Company's goals. We also relied on support from the country's leadership as well as the global stature and significant potential of Russian Railways.

Other important factors included the development of integration processes within the Eurasian space, strengthening the role of such powerful organisations as the Shanghai Cooperation Organisation and BRICS, and the continued high level of interest in cooperation with the Group among foreign businesses, including Western ones.

This all enabled us to make progress in resolving some of the top priority tasks – achieving a new level of interaction with foreign partners in infrastructure construction and logistics as well as strengthening the position of Russian Railways in international organisations.



Based on materials from the final meeting of the Russian Railways Management Board

Russian Railways Group's cooperation with European partners

The Russian Railways Group's interaction with European partners primarily focused on the design and manufacturing of new rolling stock and its introduction to the national railway network. In 2015, Russian Railways continued work to strengthen cooperation with global railway engineering leaders such as Siemens,

Alstom, Bombardier, Talgo, Knorr Bremse and others. Further progress was also made in matters concerning the localisation of advanced rolling stock production in Russia and the introduction of environmentally friendly and energy efficient technologies to the Russian railway network.

In addition, Russian Railways continued to promote a project to set up a new Eurasian transportation corridor jointly with the railway administrations and transportation agencies of Austria, Slovakia and Ukraine.

Implementation of international transportation infrastructure construction projects

The Russian Railways Group continued implementing foreign projects in 2015 to build railways and develop infrastructure in Serbia, North Korea, Mongolia, Austria, Slovakia, Indonesia and other countries as well as studying opportunities for expanding cooperation in such matters with Vietnam, Ecuador, Brazil, India and Iran.

Joint work carried out with the Russian Railways Group's companies RasonKonTrans JV and RZD International aimed to achieve the International Engineering and Transportation Construction Business Unit's targets in projects in Serbia and North Korea.

In Serbia, RZD International and Serbian Railways continued implementing a contract on the construction of railway infrastructure and the supply of diesel trains. Most of the additional agreements governing the work in individual areas have now been signed. Work is on schedule and even ahead of schedule for some areas. Traffic officially started running in September on a second mainline on the Golubinci-Ruma section and the new Sopot Kosmajski-Kovacevac section. In October, RZD International and Serbian Railways Infrastructure signed a memorandum on a strategic partnership that outlines spheres of mutual interest in the long term as well as areas where joint efforts can be made.

The Group also studied the feasibility of entering the markets of the region (Hungary, Slovenia, Bulgaria, Montenegro and Croatia) in order to utilise construction machinery upon conclusion of the Serbian project.

The commissioning of a new trans-shipment terminal at the Rason port (North Korea) in 2014 and the start of regular transit freight shipments via North Korea with trans-shipment at the Rason port signalled the completion of the pilot stage of the project to rebuild the Trans-Korean Mainline. In 2015, 1.17 mln tonnes of coal were transported via the Rason port. Russian Railways also held negotiations with a consortium of South Korean companies including POSCO, Korail and Hyundai Merchant Marine.

The modernisation and development of Ulan-Bator Railways continued as part of obligations under a trust agreement to manage the shares of Ulan-Bator Railways. In December 2015, the Mongolian Ministry of Roads and Transportation and Russian Railways approved an action plan to implement projects for the modernisation and development of Ulan-Bator Railways in 2015-2016. The modernisation of Ulan-Bator Railways must provide for the necessary increase in carrying capacity both for freight transportation, primarily minerals

from Mongolians fields shipped to China and ports in Russia's Far East, as well as for growth in transit between Russia and China.

A project office set up by Russian Railways for the establishment of a new Eurasian transportation corridor that envisages the construction of a 1,520-mm railway line to Bratislava and Vienna continued work to promote the project via a four-way joint venture and interaction with the government and business structures of these countries. Work performed in 2015 included an analysis of the environmental impacts, the final determination of the route and land acquisition dates and the preparation of a business plan with a detailed study of the technical parameters of the line as well as investment and operating expenses for the entire life cycle of the project.

On 23 November 2015, RZD International and Islamic Republic of Iran Railways signed a preliminary contractual agreement on design, supply of materials and equipment, and construction as part of a project to electrify the Garmsar-Ince Burun railway section. Financing is expected to come from a state export loan.