

# Main Directions of Widening and Deepening Cooperation Between Belarus and Latvia in the Logistics Field



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Trade and economic relations between Belarus and Latvia have developed historically, and currently they are developing dynamically. For example, during 2004-2010 (since May 2004, when Latvia joined the European Union) the mutual trade turnover between Belarus and Latvia rose from 395.0 to 1026.4 million US dollars or in 2.6 times (see Figure 1).

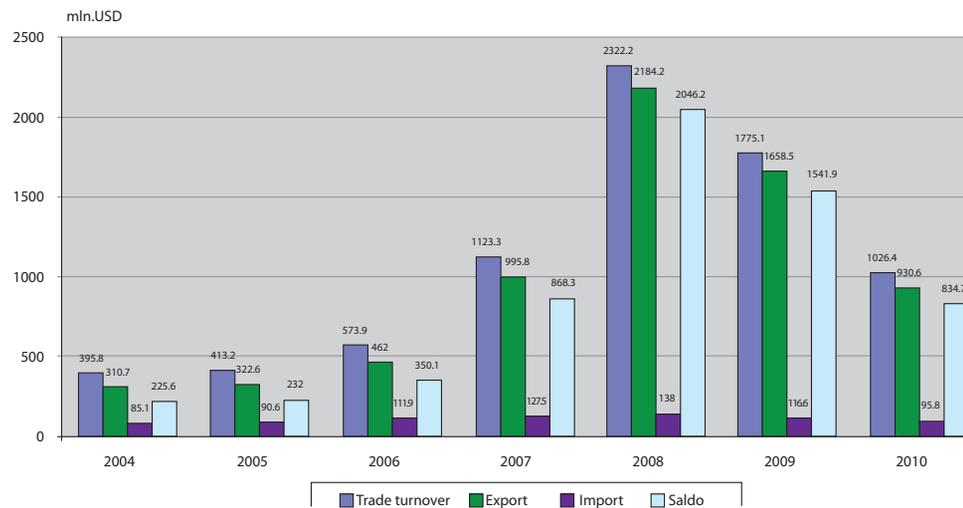


Figure 1. Trends in bilateral trade between Belarus and Latvia in 2004 – 2010.

Products such as medicines, fish, various equipment, instruments, medical equipment, chemical and light industry products dominate the majority of Belarus imports from Latvia.

Belarusian exports to Latvia predominantly are petroleum products, ferrous metals and items made thereof, products of forestry, wood pulp and paper industry, tractors, cars, equipment, tools, products of light and food industries, construction materials.

In year 2010 Latvia became the fifth biggest partner in the total volume of Belarusian goods

export among all countries with which Belarus maintains foreign trade. In the first quarter of this year Latvia became the fourth biggest partner in the total list of Belarusian goods importers (see Figure 2).

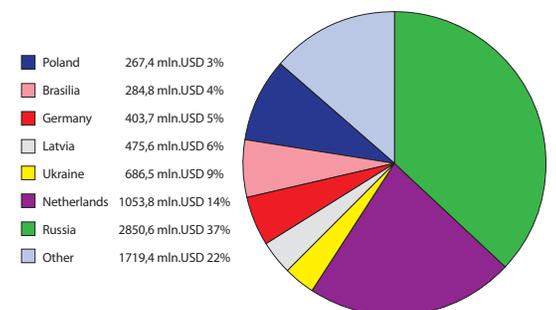


Figure 2-the structure of Belarusian goods exports For January-March 2011, million United States dollars

Significant foreign trade turnover facilitates development of bilateral cooperation between Belarus and Latvia in the logistics field. Belarus, as we know, is a landlocked country, and Belarusian export-import cargoes go through the Latvian seaports in significant volumes. In their turn, Latvian automobile carriers, which are characterized by high growth, run transit through the territory of Belarus. Thus, in 2005-2010, the number of transit journeys of Latvian trucks on the territory of Belarus increased from 2928 to 17608 or more than 6 times (Figure 3).

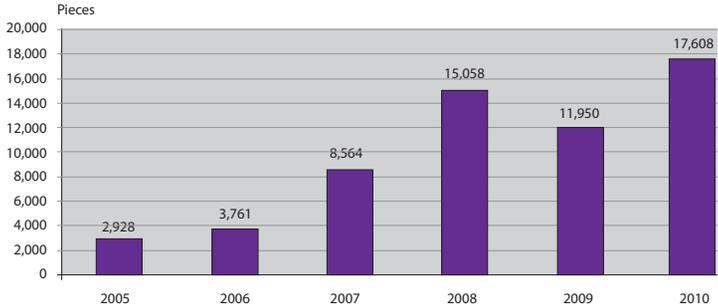


Figure 3 – dynamics of transit trips of Latvian cargo cars on the territory of Belarusian 2005-2010.

To increase the volume of freight and passengers between two countries several joint projects are implemented, such as departure of container train "ZUBR"; construction of a second track between Indra – Bigosovo, direct flight route between Minsk and Riga. Besides, passenger trains between Riga and Minsk restart their operations as of 1 June 2011. It is planned that in the period of summer vacations (from 1 June to 31 August), trains will be running on this route daily, and twice a week for the rest of the year.

Bilateral cooperation between our countries in the field of air transport is based on a policy of providing equal and fair access to the aviation market at parity conditions of freight containers and frequencies flights designated carriers.

This policy brings mutual benefits, both to the countries and ordinary passengers. Bearing in mind considerable volume of transit passengers at the Minsk-Riga and Riga-Minsk, parties have jointly provided daily performance of flights on this line, assigning one airline from each side: from the Latvian side - airline company "Air Baltic", from the Belarusian side - the national airline carrier "Belavia".

Besides, cooperation of our countries within the framework of programs and activities of Organization of air traffic in the eastern part of the ICAO European region provides air traffic services via air corridor between our countries, and allows us to increase amount of aircraft. Practical interaction of our air traffic controllers is carried out in accordance with the agreement on the procedures of interaction between Minsk and Riga regional dispatch centers of air traffic. An automated real-time exchange of data between air traffic control automated systems of our countries was introduced on the basis of this Agreement.

Remodeling of checkpoints Grigorovshina and Urbany on the border with Latvia is planned in accordance with the Belarusian integrated program of border road checkpoints infrastructure development for 2011-2015, which will increase these points' capacity. This program allows also to create infrastructure that meets all the modern international requirements on the Belarusian-Latvian border, and to ensure favorable conditions for all economic actors and individuals.

The fact that Belarus and Latvia do not have significant reserves of minerals and other natural resources, but because of their geopolitical location in the middle of Europe the countries have considerable transport-transit potential. Efficiency and improvement of its use is an essential strategic priority for economic development both for Belarus and Latvia. It contributes to further broadening and deepening of bilateral relations in the logistics area.

With that in mind, a strategic objective of bilateral cooperation in logistics sphere should be formulation and implementation of joint policies on development and modernization of transport infrastructure, as well as on harmonization of legal conditions for transportation.

**To achieve this objective it is required to:**

- implement the reconciled tariff policy;
- develop and implement joint measures to accelerate delivery of cargoes, as well as to ensure their safety;
- implement the reconciled advertising policy, as well as agreed policies to attract cargoes and use of transport corridors.

**The reconciled tariff policy, in turn, requires:**

- agreed transit costs along all cargo routes and implementation of agreements on distribution of income from traffic;
- regular technical economic analysis of the use of transport corridors and implementation of measures to increase their load.

**Main directions of work to improve conditions of transport operations, accelerate the delivery of cargoes, as well as ensure their safety can be:**

- development and implementation of joint programs and projects for development of transport infrastructure;
- introduction of new technics and advanced technologies, conducting national activities increasing the speed of cargo transit;
- simplification of customs and border procedures, accelerating technical and commercial inspection of rolling stock of railway transport at border checkpoints.

**Under the reconciled advertising policy, as well as agreed policies to attract cargoes and use of transport corridors we understand joint work on:**

- drafting of common plan on advertising activities to attract transit cargoes;
- establishment of interstate transport advertising agencies;
- organization of international transport forums (conferences, meetings, etc.) to attract traffic;
- ensuring easy access to information in national transport markets;
- establishment of a regular mutual exchange of statistical information in the field of transport and transport activities.

Joint work within the framework of the above mentioned main areas of bilateral cooperation between Belarus and Latvia will create favorable technical and legal conditions for increasing transit attractiveness of both countries and, respectively, for growth of foreign exchange earnings. These facts ultimately will contribute to the wellbeing of the population, as well as maintenance of the economic and social stability in society.

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