



# EU – China Connectivity Platform

## Intermodal Terminal Košice

Beijing, 13.07.2018

- This investment opportunity is part of the strategic Belt and Road Initiative (BRI) and entails the construction of a **major international intermodal hub with yearly handling capacity up to 1,500,000 TEU in 3 years in Košice**, eastern Slovakia.
- The location creates a **strategic rail interchange point between EU and Russia/China**, where the rail cargo is transferred from wide to narrow gauge together with the development of an integrated 500 hectare industrial park
- The BRI strategic initiative considers **rail cargo as the preferred transport option between China and EU** with the Slovak Corridor being one of the **shortest routes from Asia to EU**, thus reducing rail freight tonne/km costs
- The **number and capacity of intermodal terminals connecting EU and Russia & China is limited** (mainly Brest-BY, Košice-SK, Dobra-SK) – The estimated container cargo traffic from China to Western Europe will **significantly exceed the capacities of all existing terminals**, so there is **natural demand for additional capacity**.
- Full support from Slovak government & region Košice & City Košice (project identified as GLIP General Logistic Infrastructure Project). Košice is the 2<sup>nd</sup> largest SK city, with modern infrastructure and educated labor force (manufacturing hub & IT sector)
- European Investment Bank, International Investment Band and TEN-T (Trans-European Transport Networks) pre-identified location Košice as part of the EU-China connectivity platform

## Košice project

# 1

### Construct a state of the art intermodal terminal

- Dual gauge rail-road Terminal located in Košice, Slovakia, 70 km from the EU-Ukraine border
- Annual handling capacity of up to 1,500,000 TEU
- 31,000 m<sup>2</sup> Common User Facility
- Total costs estimated at EUR 120 m

# 2

### Construct an integrated industrial / logistics park

- Industrial and logistic park to be developed on 500 ha of adjacent land
- Total development costs estimated at EUR 950 m

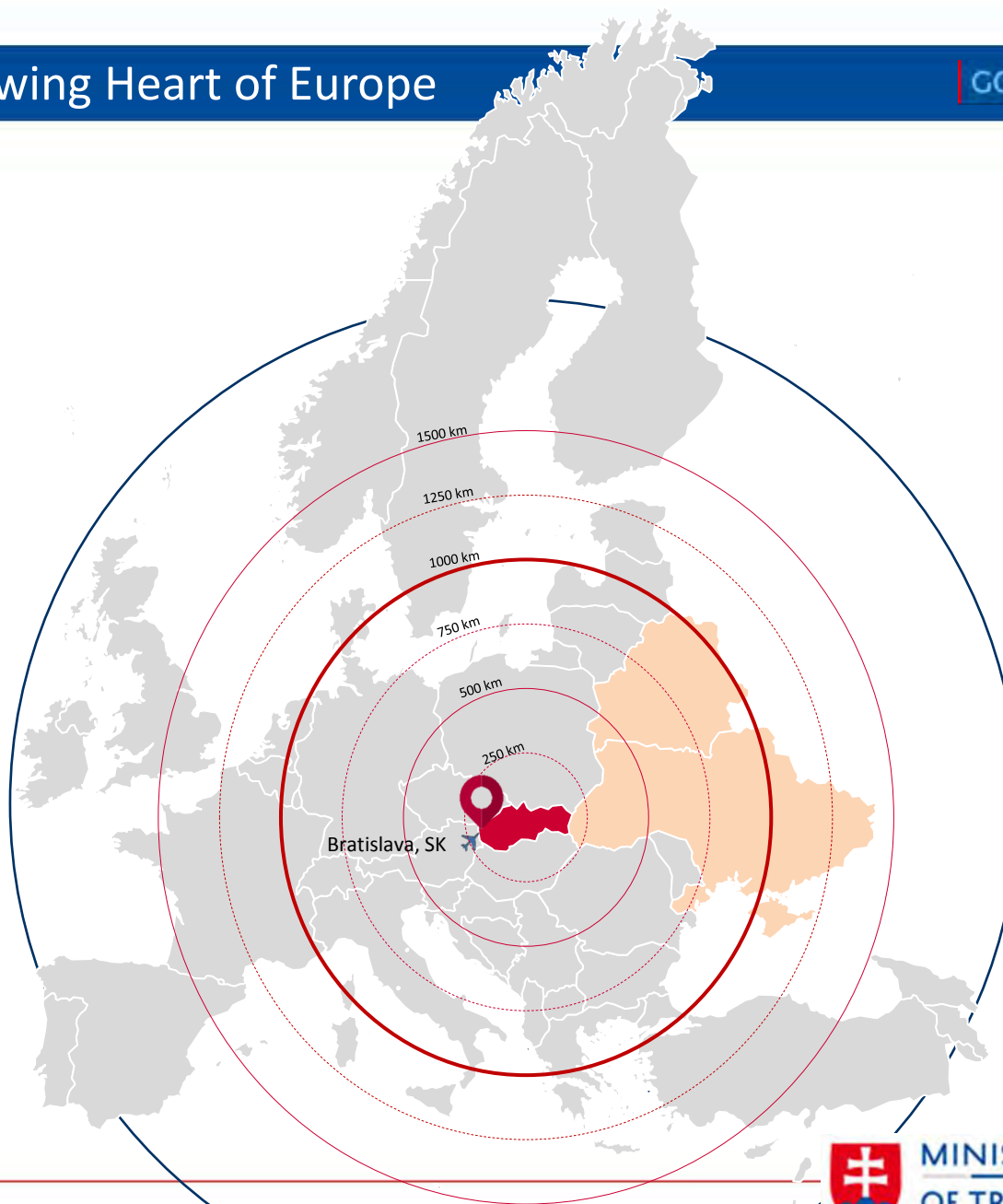
- **More than 15,000 jobs once terminal and industrial park reach full capacity**
- **Phased development will minimize exposure and maximize profitability**

■ Establishment:	1 January 1993
■ Official name:	Slovak Republic
■ Area (sq m):	49,035
■ Population:	5,400,000
■ Capital:	Bratislava
■ Official currency:	EURO
■ Official language:	Slovak
■ Political system:	Parliamentary democracy
■ Election term:	4 years
■ Neighbours:	Austria, Czech Republic, Hungary, Poland, Ukraine
■ Time zone:	GMT + 1hour



300 MILLION  
CLIENTS IN  
RADIUS OF  
1,000 KM

600 MILLION  
CLIENTS IN  
RADIUS OF  
2,000 KM



# EURO €

since 1<sup>st</sup> January 2009

One of a few in CEE

**Euro implementation impact:**

- Limitation of Foreign Exchange Risk
- Lower Transaction Costs
- Growth in Foreign Trade
- Increased Economic & Financial Stability






**Favourable conditions for long-term business decisions**



# Slovakia | One of Best Country Credit Ratings in CEE

GOOD IDEA SLOVAKIA

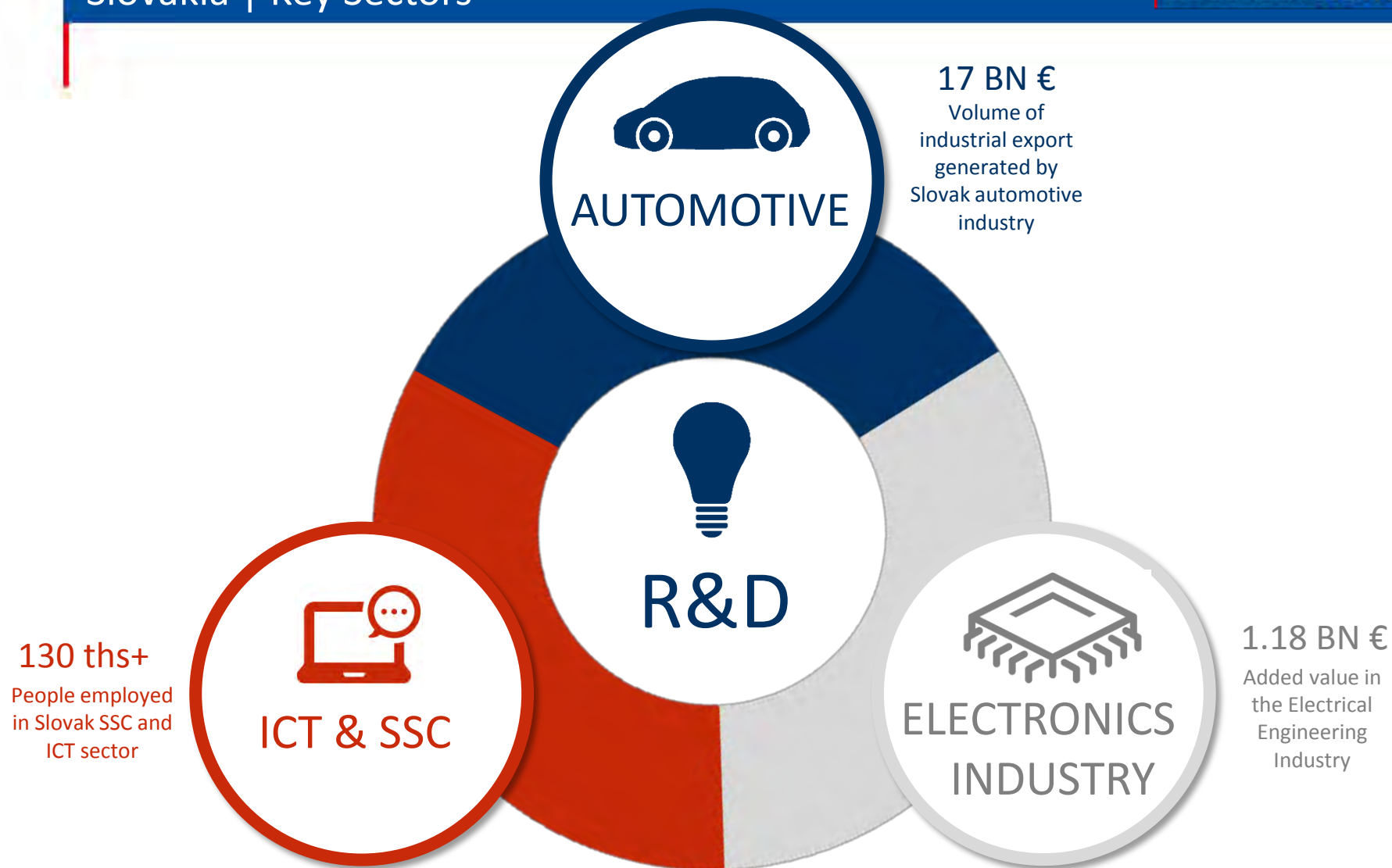
Data as of January 2016

CREDIT RATING AGENCY	SLOVAKIA	CZECH REPUBLIC	HUNGARY	POLAND	BULGARIA	ROMANIA
 <b>STANDARD &amp; POOR'S</b>	<b>A+</b> <b>stable</b>	AA- stable	BB+ stable	BBB+ negative	BB+ stable	BBB- stable
 <b>Moody's Corporation</b>	<b>A2</b> <b>stable</b>	A1 stable	Ba1 stable	A2 stable	Baa2 stable	Baa3 stable
 <b>Fitch Ratings</b>	<b>A+</b> <b>stable</b>	A+ positive	BB+ stable	A- positive	BB+ stable	BBB- stable
 <b>JCR</b> Japan Credit Rating Agency	<b>A+</b> <b>stable</b>	A stable	BBB negative	A stable	BBB stable	BBB- stable
 <b>R&amp;I NOW</b> Rating and Investment Information	<b>A</b> <b>stable</b>	A+/AA- stable	BBB- stable	A-/A stable		
<b>OECD</b> <b>Country risk</b>	<b>0</b>	0	4	0	4	3

Source: S&P, Moody's, Fitch, JCR, R&I, OECD (2016)



**MINISTRY**  
**OF TRANSPORT**  
**AND CONSTRUCTION**  
**OF THE SLOVAK REPUBLIC**





## SLOVAKIA

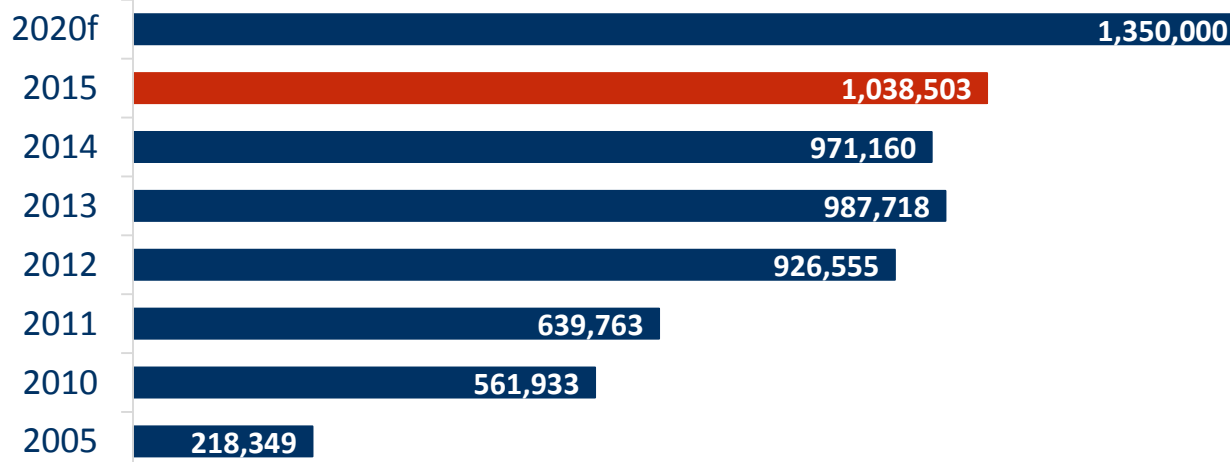
Leader in World Car Production Per Capita (2015)

**190 Vehicles | 1,000 Inhabitants**

World Average = 10 Vehicles | 1,000 Inhabitants



### Number of Cars Produced



MINISTRY  
OF TRANSPORT  
AND CONSTRUCTION  
OF THE SLOVAK REPUBLIC

**Memorandum of Understanding Between  
The Government of the Slovak Republic and  
The Government of the People's Republic of China  
On Jointly Promoting the Silk Road Economic Belt and  
the 21<sup>st</sup> Century Maritime Silk Road Initiative**

The Government of the Slovak Republic and the Government of the People's Republic of China (hereinafter referred to as "the two sides"),

Based on the aspiration for cooperation on jointly promoting the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road (hereinafter referred to as the Belt and Road);

Considering China's Belt and Road Initiative, which aims to uphold the Silk Road spirit of peace, cooperation, openness, inclusiveness, mutual learning and win-win cooperation, and keep such spirit enriched and upgraded; and through mutual learning among countries along the Belt and Road, to facilitate exchange and integration of goods, technology, capitals and personnel, promote coordinated development and common progress of countries in the fields of economy, society, environment and culture, and facilitate dialogue and integration among different civilizations;

Recognizing the political consensus between the leaders of the two sides on jointly promoting the Belt and Road Initiative, the two sides have decided to work together to form synergy between the Belt and Road Initiative and their respective national development strategy, enhance

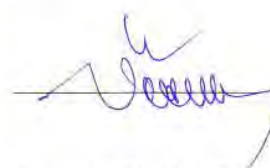
IV. This MOU shall be automatically renewed for three years thereafter unless and until terminated by either party by giving written notice to the other side three months before the expiration of the MOU. The MOU will be extended accordingly.

**Article VII Other Provisions**

This MOU does not constitute an international treaty between the two sides. It only expresses the common will of the two sides to push forward the Belt and Road Initiative.

This MOU is signed on 26.11.2015 in Beijing in duplicate, each written in the Slovak, Chinese and English languages, all texts being equally authentic. In the case of any divergence of interpretation, the English text shall prevail.

Representative



Government of the Slovak Republic

Representative



Government of the People's  
Republic of China



斯洛伐克共和国政府与中华人民共和国政府  
关于共同推进丝绸之路经济带和 21 世纪海上丝绸之路  
建设的谅解备忘录

斯洛伐克共和国政府与中华人民共和国政府（以下并称为“双方”），基于两国人民之间的传统友谊和两国业已开展的友好合作，以及双方共同推进“丝绸之路经济带”和“21 世纪海上丝绸之路”（以下简称“一带一路”）合作建设的意愿；

考虑到中方提出“一带一路”倡议，致力于弘扬和平合作、开放包容、互学互鉴、互利共赢的丝绸之路精神并赋予其新的时代内涵，通过与“一带一路”沿线国家互通互鉴，实现商品、技术、资金、人员的交流和融合，推动各国经济、社会、环境与文化协调发展和共同进步，促进不同文明之间的对话与融合；

认识到双方领导人已就共同推进“一带一路”建设达成政治共识，双方决定共同挖掘“一带一路”与各自发展战略的契合点，加强政策协调和务实合作，推动互利合作和文明互鉴，实现双方和平发展和共同繁荣；

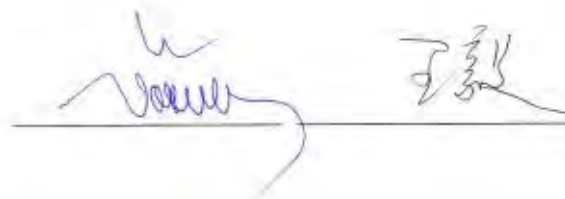
兹达成如下共识：

“一带一路”建设的共同意愿。

本谅解备忘录于 2015 年 11 月 26 日在北京签订，一式两份，每份均用斯文、中文、英文三种语言写成，三种文本同等作准。如对文本翻译理解出现分歧，以英文为准。

斯洛伐克共和国政府  
代表

中华人民共和国政府  
代表



**Expert working group** are responsible for implementing the Memorandum of Understanding between the Government of the Slovak Republic and People's Republic of China for Common Support of the Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road initiatives in the field of transport and logistics, which was signed on 26<sup>th</sup> November 2015 in Beijing.

The members of the Expert working group are deputies of:

- respective sections of our Ministry of Transport
- ZSR – Slovak Railways (infrastructure manager)
- ZSSK Cargo (national railway freight operator)
- Public Port Authority (authority of Slovak ports on the Danube river)
- Association of Logistics and Freight Forwarding of the Slovak Republic.

**Peter HRAPKO/彼得·胡拉布克**

**Head of expert working group/专家工作组组长**



# Slovakia | Košice: a Key Inland Port of the Belt and Road Initiative

GOOD IDEA SLOVAKIA

- The Slovak Corridor is one of the shortest routes from Asia to EU, reducing rail freight tonne / km costs.
- The Belt and Road Initiative is progressing following cooperation agreements by Russia and China, together with EU support for Europe / China connectivity projects.
- Košice is identified as an strategic terminal location for international combined transport, located on the core Trans European network.



MINISTRY  
OF TRANSPORT  
AND CONSTRUCTION  
OF THE SLOVAK REPUBLIC

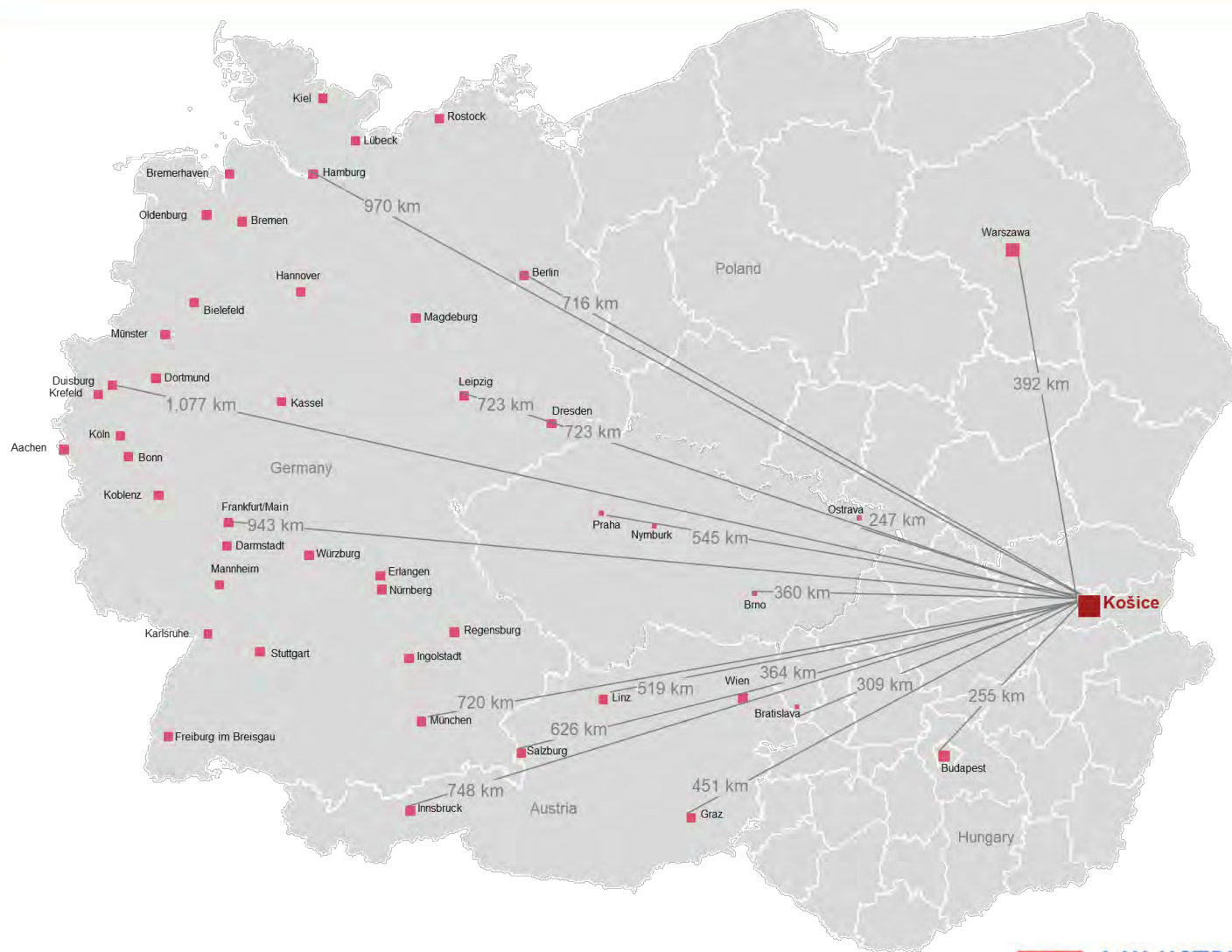
	Shipping cost of 1TEU from Chongqing to Western Europe	
	Price	Time
Air 	\$ 20.000-25.000	1-2 days
Road 	n.a.	n.a.
Train 	\$ 3.500-5.500	16-20 days
Sea 	\$ 1.500-3.000	38-45 days

Source: EATL 2016, Seabury 2017, Second IMO HGH study

- **Rail transport** is **cheaper** and **more environmentally friendly** than air and faster than ship
- **Time-sensitive** car and electronics manufacturers are turning to rail transport because of **service reliability** and **cheaper cargo rates**
- **Significant potential for developing rail transport operations**, so far only 0.5% of Chinese exports are carried by rail according to OTIF (Intergovernmental Organisation for International Carriage by Rail)



- Košice is the natural distribution hub for the EU, located at the interchange of Russian and European rail gauge handling cargo traffic between Europe, Russia and China.
- Existing hub within CEE manufacturing market. CEE is a rapidly developing consumer market, and a significant FDI destination.
- Slovakia is actively developing and upgrading its rail and road infrastructure to prepare for the expected increase in cargo traffic between EU and China





# Eastern Slovakia and Košice region within the Slovak context GOOD IDEA SLOVAKIA

GDP per capita in PPS <sup>1)</sup>	% of SK average	% of EU average
Eastern Slovakia	70%	58%
Košice region	78%	65%



GDP share (intensity indicators) <sup>2)</sup>	Share on SK
Population	14,7%
Regional GDP [EUR m]	11,5%
Investments [EUR m]	8,0%
Gross Value Added [EUR m]	11,5%

Labor market statistics <sup>3)</sup>	Košice region	% of SK average
Average wage [EUR]	972	94%
Unemployment rate [%]	10,5%	163%

## KEY LEARNINGS

- Within the Slovak context, Eastern Slovakia is the poorest part, but Košice region is the local center with R&D focus, good infrastructure network and developed industry
- Nevertheless, the regional economic level (GDP, value added and investments) is lower compared to Slovak average
- Average wage is comparable to country average (despite large variances) but unemployment is higher in the region

Note: 1) GDP per capita in PPS, based on Eurostat data for 2015; 2) GDP share (intensity indicators) based on Sario data for regional account statistics for 2014 and 2013 (investments); 3) Labor market statistics based on 2015 data for comparability purposes with the regional statistics (estimates)

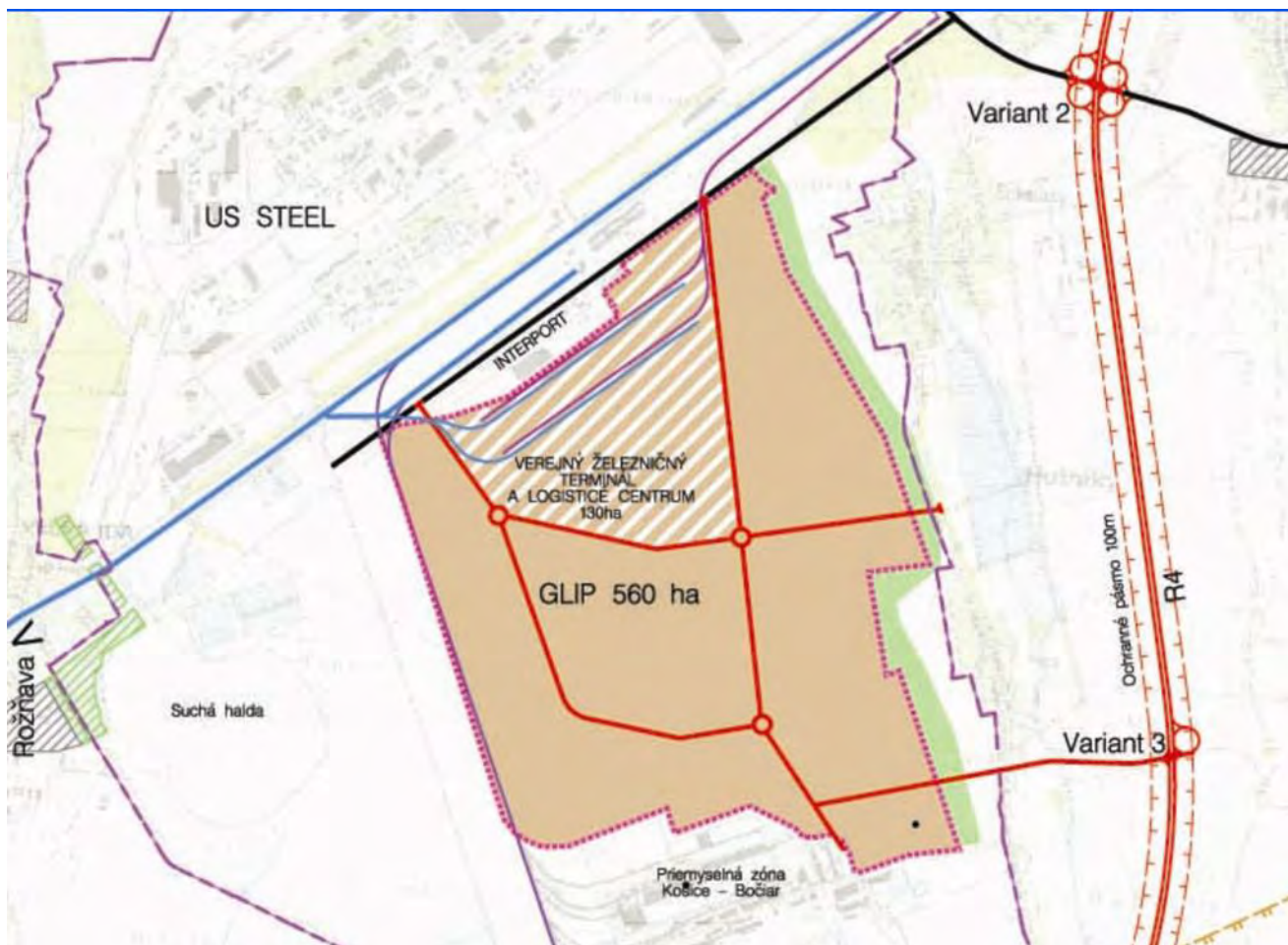
Source: Eurostat; Sario



**MINISTRY**  
**OF TRANSPORT**  
**AND CONSTRUCTION**  
**OF THE SLOVAK REPUBLIC**

- Strategic location within the city of Košice
- Direct access to the existing cargo railway (Russian gauge up to the Terminal on the way from UA and European gauge from the Terminal to deeper EU)
- Direct access to both highways R2 & R4 subject to construction of interconnection by SK government
- Easily accessible from the city center both for trucks, cars and public transport









	PRŮMĚRNÉ DĚNNÍ DOPRAVNÉ ZATÍŽENÍ AVERAGE DAILY VEHICLE MOVEMENT	
	PRŮJEZD APPROACH	ODJEZD DEPARTURE
AUTY CARS	14 784	14 784
LEŽKÁ NÁKLADNÍ VOZIDLA LIGHT LOAD VEHICLES	1 547	1 547
TEŽKÁ NÁKLADNÍ VOZIDLA HEAVY LOAD VEHICLES	1 218	1 218
VOZIDLA OBLIČNÉ HEAVY LOAD VEHICLES	17 549	17 549
PRŮMĚRNÁ POČET DOPRAVNÍCH VOZIDEL NA DEN AVERAGE DAILY VEHICLE MOVEMENT	15 000+	

**INTERIOR, TERMINAL AND  
NON-TERMINAL TRANSFER ZONE KOČE**

**TOTAL AREA IN-HITCHES**

**AREA INTERIOR, TERMINAL IN-HITCHES**

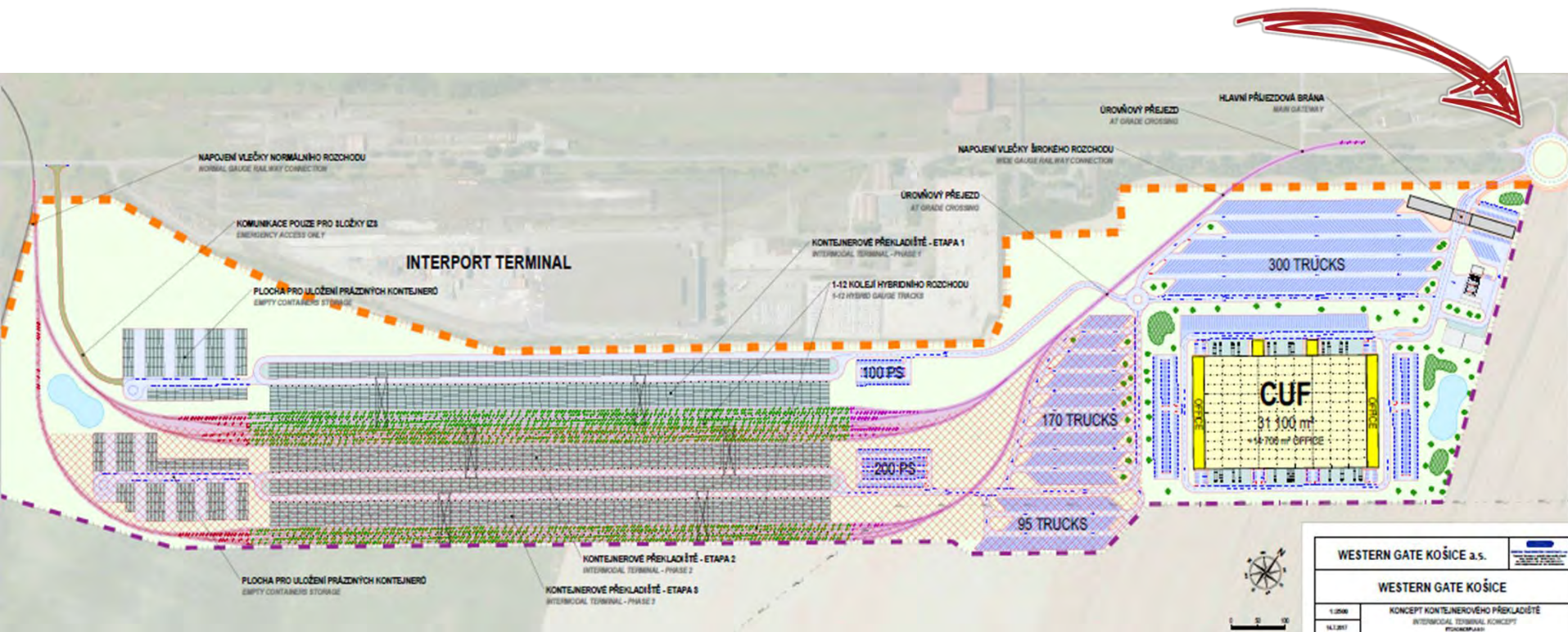
- 1. TRANSFER (P-INCHES) - 4-4-4
- 2. TRANSFER CHARGE
- 3. EXTENDED PARKING RATE
- 4. SEE EMPLOYEES' PART OF PARKING RATE

**LODGING PRODUCTION AREA IN-HITCHES**

- 1. SEE EMPLOYEES' PART OF PARKING RATE
- 2. SEE EMPLOYEES' PART OF PARKING RATE
- 3. SEE EMPLOYEES' PART OF PARKING RATE
- 4. SEE EMPLOYEES' PART OF PARKING RATE



## Entrance gate to the Terminal & industrial / logistics park



Košice 科希策

# Slovakia | The Intermodal Terminal Košice

## Infrastructure Development

GOOD IDEA SLOVAKIA

### Site area 66 ha

**12 dual tracks** (gauge) x **750 m slab lines** to be constructed in phases (4+4+4)

**6 gantry cranes** with total yearly capacity of **1,500,000 TEU**

Storage for **7,000 TEU** on **40 ha** + **560 trucks** parking bays

Common User Facility on **31,000 sqm** + **office** on **14,000 sqm** providing start-up / interim facilities, encouraging logistics suppliers of all sizes to the site

### Project development

- Detailed engineering specifications and plans for the Terminal prepared by the Ministry of Transport and adopted to the local municipality's requirements
- Environmental Impact Assessment (EIA) will be undertaken
- National Strategic Investor status allows fast EIA & Building permit process & guarantees land
- Engineering and construction partner has been identified to ensure optimal design and construction.
- Construction industry best practice standards will ensure value for money.
- Better connectivity for trucks thanks to the future interconnection of highways R2 & R4 (building permit for the interconnection is in place and SK government has land under control)

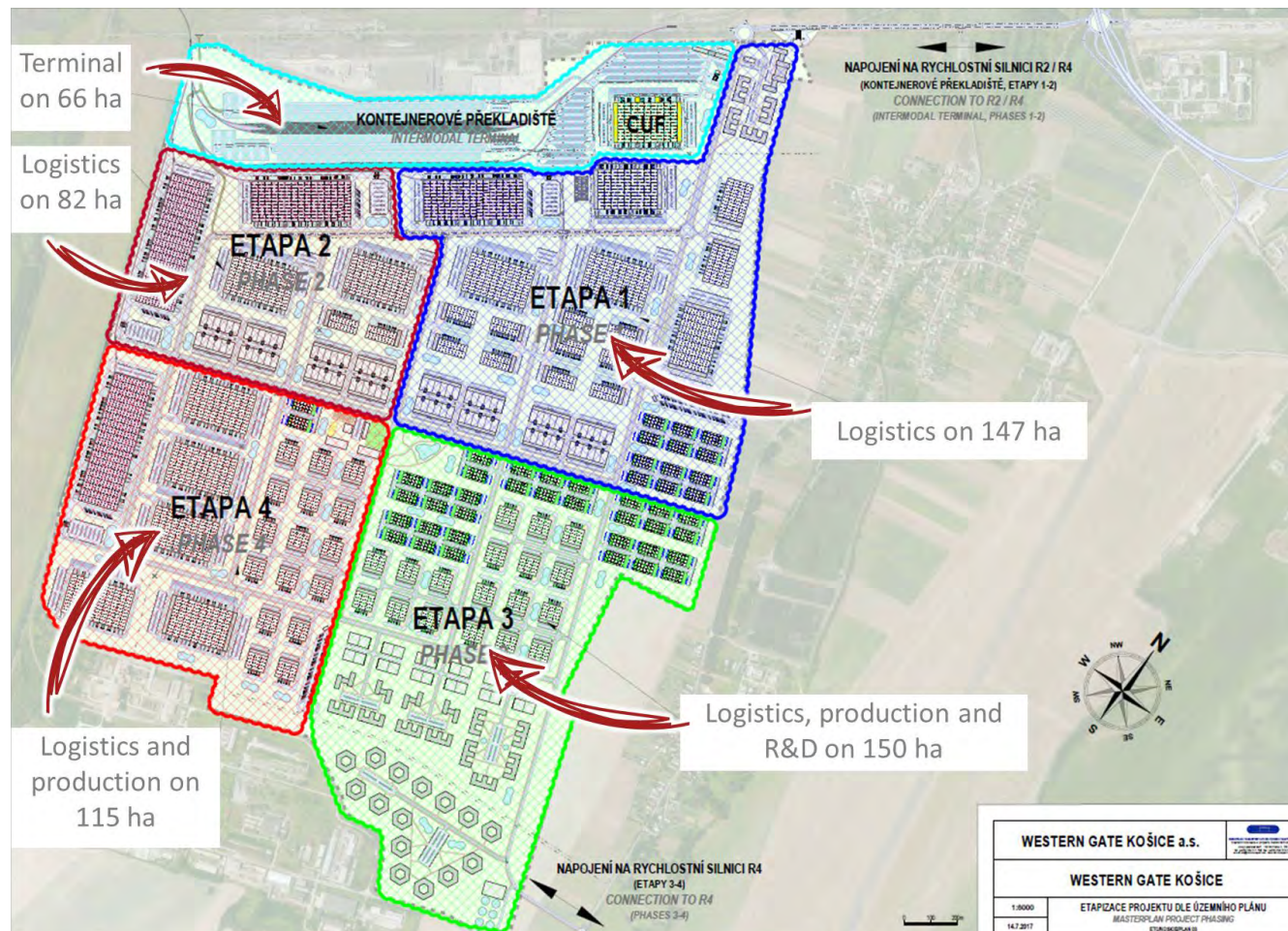




**Initial Phase:** i.e.  
Construction of the  
Terminal + CUF

**1<sup>st</sup> Phase:** construction of  
the industrial space on  
147ha & increase of the  
capacity of the terminal

**2<sup>nd</sup> – 4<sup>th</sup> phase:** construction  
of the industrial space with  
up 1,400,000 sqm lettable  
area & increase of the  
capacity of the terminal



## Intermodal Terminal Košice

PPP – Public Private Partnership on ground of concession between state and private partners

Concession partnerships are the models which principle is preliminary financing. Private investor builds up finances and operates the infrastructure during limited period (as a rule 30 years). Infrastructure is transfer into public ownership. Incomes from operation infrastructure belong in time of the concession to concessioner – investor.

Model of the partnership	Ownership	Construction	Financing	Operation
<b>BOT</b> Build-Operate-Transfer	public	private	private	private
<b>BOOT</b> Build-Own-Operate-Transfer	private / public	private	private	private
<b>LDO</b> Lease-Develop-Operate	public	private	private	private



## Intermodal Terminal Košice

**BOT** – reposes thereon that construction and financing are private but the ownership is the public domain. Public sector conveys the operation and incomes from operation to the concessioner at the limited time.

**BOOT** – in contrast to the BOT model concessioner – investor becomes right of property during the time of concessions time. After this time transfer the ownership into public ownership.

**LOD** – this model is concerned as certain form of leasing agreement. Construction, financing and operation are private, but the ownership is public.

Because of those structures have a public character investor-concessioner-operator is obligatory to operate intermodal terminal in compliance with directive 2012/34/EU of 21 November 2012 establishing a single European railway area, article 3 – Definitions, point (11) for „service facility“ means the installation, including ground area, building and equipment, which has been specially arranged, as a whole or in part, to allow the supply of one or more services referred to in points 2 to 4 of Annex II (freight terminal – terminal of the intermodal transport in accordance of the regulatory 1315/2013/EU , article 3, point s)).

# Concept of the Development of Economic Relations between the Slovak Republic and the People's Republic of China for 2017-2020

GOOD IDEA SLOVAKIA

VLÁDA SLOVENSKEJ REPUBLIKY



UZNESENIE VLÁDY SLOVENSKEJ REPUBLIKY

č. 180

z 11. apríla 2017

**k návrhu Konceptie rozvoja hospodárskych vzťahov medzi Slovenskou republikou a  
Čínskou ľudovou republikou na roky 2017 - 2020**

Číslo materiálu: 16016/2017

Predkladateľ: minister hospodárstva

**Vláda**

**A. schvaľuje**

A.1. Konceptiu rozvoja hospodárskych vzťahov medzi Slovenskou republikou a Čínskou ľudovou republikou na roky 2017 – 2020;



## **4.2. Description and objectives of the implementation of the OBOR project in the SR**

### **4.2.1. Targets in the field of building infrastructure**

- a) Košice Intermodal terminal**
- b) Global logistics and industrial park (GLIP)**
- c) Leopold intermodal terminal**
- d) The Bratislava Trimodal Terminal**

### **Possible funding of projects No. 1.a), 1.b), 2.a), 2.c), 2.d**

By using a combination of public and private resources (PPP - Public Private Partnership) with the possibility to use the financing structure according to the successful "Bypass Bratislava D4 / R 7" financing model. The model foresees the use of EFSI / EIB, ESIF and SIH in combination with private sources.



SZRB Asset Management a.s. (SZRBAM) was established, following Government Resolution No. 736 of December 2013, as an initiative supporting national investment priorities.

SZRBAM activities are divided into three main areas:

- Slovak Investment Holding (SIH) - alternative investment fund management
- Slovenský záručný a rozvojový fond (SZRF) – investment fund management
- National coordination and advisory body for the implementation of the Investment Plan for Europe



Export-Import bank of the Slovak Republic was established under Act No. 80/1997 Coll. on the Export-Import bank Slovak Republic, amended by Act No. 336/1998 Coll., Act No. 214/2000 Coll., Act No. 623/2004 Coll. and Act No. 688/2006 Coll. and started its activities on 22 July 1997.

China-CEEC Inter-Bank Association:

„Corporation Action Agenda for 2018-2020 of the China CEEC Inter-Bank Association“

„Cooperation Agreement on Capacity Building and Experience Sharing among Member Banks of the China-CEEC Inter-Bank Association“

Thank you for your attention !

GOOD IDEA SLOVAKIA

谢谢你们关注！

Peter Hrapko  
彼得·何拉普克

Mobile/WeChat:  
+421910196039

Email/电邮:  
[peter.hrapko@mindop.sk](mailto:peter.hrapko@mindop.sk)

GOOD  
IDEA  
SLOVAKIA

