

# Russian changing with

The Russian rail system has been criticised for infrastructure. This is only true in part report

In a country the size of Russia, rail transportation inevitably plays an important role in finished vehicle distribution. Even though the Russian automotive market is largely centred on Moscow and St. Petersburg, OEMs need to distribute to the many significant population centres east of the Ural Mountains. The great distances involved, allied to the harshness of

ПОСТРОЕН 1167  
17.03.08

BP  
17.03.08

КР  
17.03.23



# rail the times

its expense and lack of  
ts *Sam Ogle.*

the Russian winter, mitigate against the use of trucks.

The Russian rail network has come in for its share of criticism in the past. Infrastructural deficiencies and expensive tariffs were the main targets for the complainers. Much of this criticism is unfair says Rene Varek, first deputy general director, commercial affairs for RailTransAuto (RTA), a logistics company offering railroad transportation of motor vehicles from manufacturers to dealers in Russia and the CIS.

The company was founded by JSC Russian Railways (51% of shares) and Transgroup AS limited (49% of shares).

“When you benchmark Russian rail tariffs against European tariffs on a cost per kilometre basis you will find that rail transportation in Russia is not expensive. Of course there are certain routes where we are not competitive against truck or deep-sea modes but things are changing. Russian railways tariffs are expressed in roubles whilst those for trucking and deep-sea shipping are in US dollars or euros. The rouble has weakened by more than 30% against the euro and by 35% against the dollar, making our tariffs much more attractive. Economic crisis or not, we are seeing many companies which had previously avoided rail becoming much more interested in using it.

“This year there have been special prices introduced by the Ministry of Transport and Russian Railways for domestic production. From the European part of Russia, cars can be transported to the Far East under a full state compensation package, which means that companies only have to pay for loading, unloading and security; all the transportation

