



9th Railway Working Group Meeting

10–12 June 2025 • Bishkek, Kyrgyz Republic

9-е заседание Рабочей группы по железнодорожному транспорту

10–12 июня 2025 года • Бишкек, Кыргызская Республика



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Uzbekistan Northwestern International Freight Corridor

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Outline

- Background
- Route
- Potential
- Existing railway facilities
- Market survey findings
- Service parameters
- Investment needed
- Traffic modelling
- Economic and financial analysis
- Next steps

Background

1991

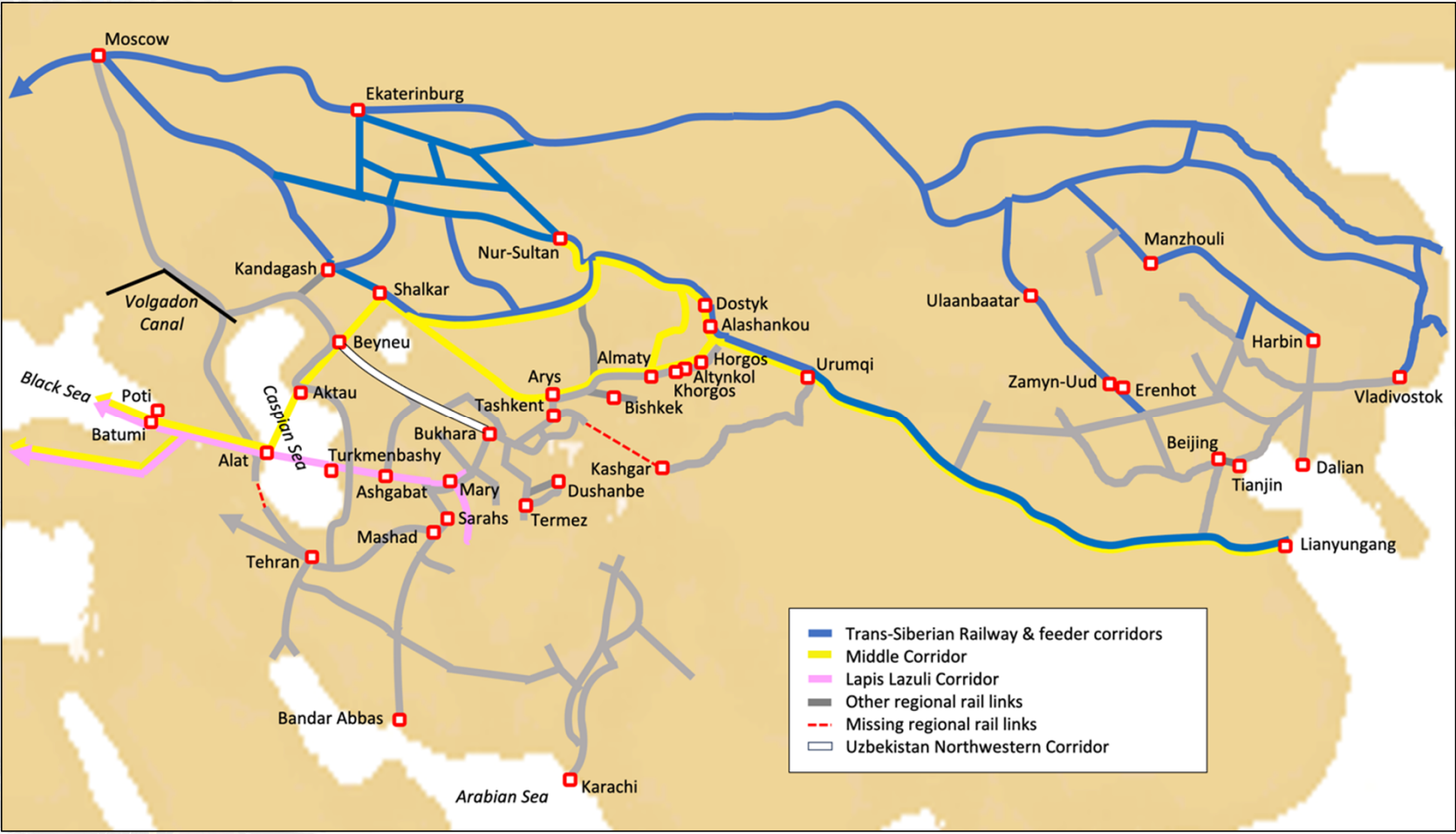
Before

- Northwestern Corridor was important for freight between Central Asia and both the Caspian Sea port of Aktau and present-day Russia

After

- long-distance services stopped as parts of the corridor were now in Turkmenistan.
- Uzbekistan built back the missing sections, restored services and upgraded southern sections.
- The northernmost section between Nukus and Beyneu has yet to be upgraded
- Existing freight traffic on the corridor is low but there is potential to serve larger volumes in future

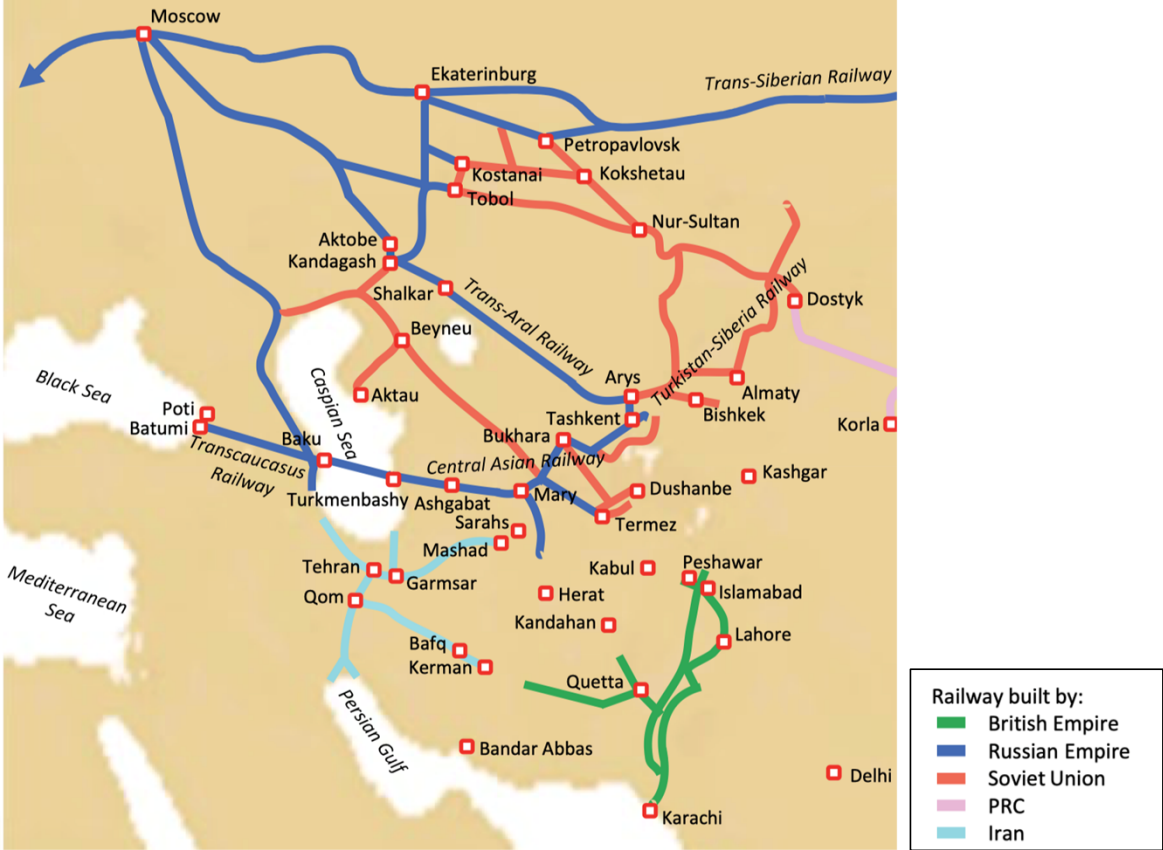
Route



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Route

Central Asia's Cross-border Railways, 1990



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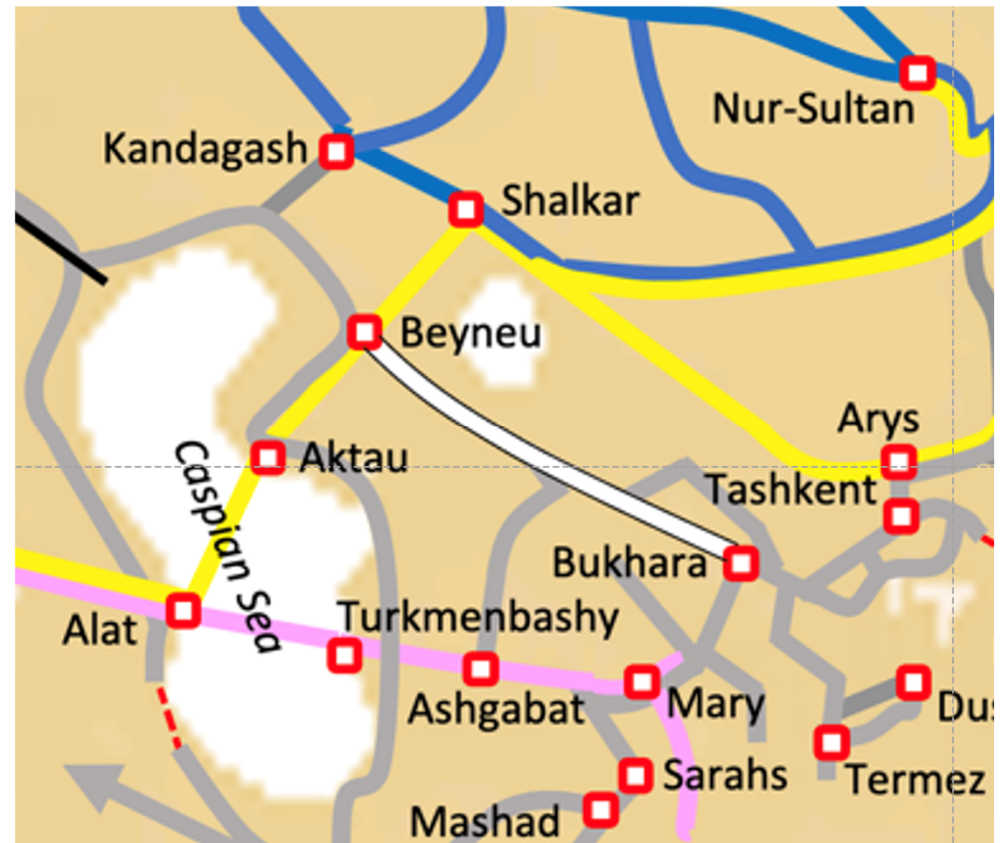
Route

Railway Corridor

Uzbekistan's existing international railway freight traffic to/from Beyneu is transported on Kazakh Railways over much of the distance.

Alternative route is to reach Beyneu via Northwestern Corridor, with most of journey operated by UTY in Uzbekistan

Beyond Beyneu, trans-Caspian traffic would follow the same route to Aktau or Kuryk as Middle Corridor railway traffic and use the same shipping services to Alat



Potential

1

By operating efficient scheduled **freight and container block train services** connecting to Kazakhstan's Caspian Sea ports

2

Traffic would travel most of the journey **to Aktau/Kuryk using UTY—rather than using KTZ** at present—leading to higher UTY earnings

3

Uzbekistan wants to **expand trade and diversify long-distance transport**

4

Market interest in diversifying trans-Caspian routes—capacity of Middle Corridor is limited, problems using Trans Siberian Railway

5

CAREC railway model identified proposed **project as likely to be feasible**

Existing railway facilities

Rail Infrastructure

- Mostly satisfactory
- Enough capacity for block trains
- Traction with diesel locomotives

Rail freight Terminals

- Well organized
 - Tashkent
 - Bukhara
 - Urgench
 - Nukus
 - Kungrad
- Plans for further expansion



Border crossing point

- Karakalpakiya has not been upgraded for 30 years
 - 1 main line
 - 5 stabling tracks
 - 2 extra tracks
 - X-ray scanners

Average speed

- 30 km/h for freight trains
 - Extended halts
 - Shunting
 - Other operational inefficiencies
- Higher speeds are achievable

Market survey findings

Market requirements

- Customers attach high value to
 - service speed
 - reliability
 - predictability
- Market interest in proposed scheduled long-distance container block train services using the Northwestern Corridor
- Travel time of 72 hours between Tashkent and Aktau/Kuryk
- Lower tariffs

Recommendations

- UTY should provide **four dedicated train sets** for scheduled and block train services on the Northwestern Corridor, each comprised of a diesel locomotive and a full wagon set.
- UTY will need to provide **fixed timeslots**, give scheduled and **block train services priority** in slot allocation, and ensure locomotive and driver availability in Uzbekistan and for connecting services in Kazakhstan.
- Trains to stop at only a small number of larger freight terminals. A customer-friendly **wagon tracking service** to be provided.
- UTY would need to **reduce its per km charges** to not more than those of KTZ Express

Service parameters

Key parameters to be attractive to customers

Reliable freight services via scheduled freight trains

Regularly scheduled trains instead of waiting for tonnage to depart

A dedicated wagon fleet only to be used between Aktau-Tashkent

Enabling customers to track their shipments

UTY Rolling stock



Locomotives	Quantity	Average age	Lifespan
TEP70s (2007-2012)	10	12	35
UZTE16M2,3,4	42	13	18
2TE116 (1980)	1	42	35
TE10M (1981-1990)	53	37	35
Total	106		

+ 45 third party mainline freight diesels

The majority of the locomotives are past their expected lifespan and likely require rebuild or replacement

	Quantity	Average age	Lifespan
Platform wagons	1,032	40	48

+
200 third party platform wagons

Service parameters

Key parameters to be attractive to customers

Lower travel times

Maximum transit time from Aktau to Tashkent should be 3 days in order to be competitive

Using block trains with no shunting in between

Eliminating further operational stops by allowing a single diesel locomotive to run through from the Kazakh border up to Miskin

~60km/h for
passenger trains

~30km/h for
freight trains

Ref train	Station Start	Station End	Depart	Arrive	Hours	Distance	Average speed
3193	Buchara-1	Miskin	0	0	4.9	358	73.3
3193	Miskin	Kungrad	0	1	6.1	313	51.7
3193	Kungrad	Jasliq	1	1	2.5	171	68.4
3193	Jasliq	Karakalpaki	1	1	2.3	135	58.3
3193	Karakalpaki	Beyniu	1	1	1.5	99	66.0
110x	Beyniu	Ustjurt	0	1	1.4	80	57.1
110x	Ustjurt	Razezd- No 6	1	1	0.7	48	72.0
110x	Razezd No 5	Sai-Utes	1	1	0.8	50	63.8
110x	Sai-Utes	Shetpe	1	1	2.4	134	55.8
110x	Shetpe	Mangistau	1	1	1.3	91	68.3

Service parameters

Key parameters to be attractive to customers

Lower infrastructure usage tariffs

High tariffs scares off the customers

Currently almost double the rates offered by Kazak operator

	Distance [km]		Tariff KZ	Tariff KZ	Tariff UZ	Σ
	In KZ	In UZ	KZT/container	CHF/container	CHF/container	CHF/container
Via Kazakhstan	2,097.9	34.3	362.3	724.5	325.0	1,049.6
Via Uzbekistan NWC	491.5	1,557.8	237.2	474.5	1,600.0	2,074.5

Investments needed

Phase	Description	(\$m)
1. Introduce services	Upgrading of freight terminals at Urgench, Nukus and Kungrad	39
	Rehabilitation and upgrading of Karakalpakiya border crossing point	17
	Purchase 4 dedicated train sets	40
Sub-total		96
2. Upgrade capacity, 2030–2033	Rehabilitate and upgrade Nukus–Karakalpakiya section	1,584
Sub-total		1,584
Total		1,680

Traffic modeling

Assumptions

Average travel time from Tashkent to Aktau/Kuryk: 72 hours

Lower charges per ton-km for UTY to match those of KTZ

2030

Northwest corridor

- Import-Export: 5.2 million tons
- Transit: 0.7 million tons

2060

Northwest corridor

- Import-Export: 11.5 million tons
- Transit: 5.7 million tons

Economic and financial analysis

1

Costs

- The phase 1 and phase 2 investment of **\$1.68 billion**

2

Revenues

- Revenues depend on the assumption on cost per ton-km and forecasts
 - 2030: **5.2 million tons**
 - 2060: **11.5 million tons**

3

Financial analysis

- Financially **only borderline attractive**
 - Discount rate: 9%
 - FIRR: **6.6%**
 - NPV: **-\$125.1 million**

4

Economic analysis

- Economically **attractive**
 - Discount rate: 9%
 - FIRR: **15.1%**
 - NPV: **\$254.9 million**

Next steps





Thank you!