

DEVELOPMENT OF BORDER INFRASTRUCTURE IN THE UKRAINE-EU CROSS-BORDER SPACE: A SYSTEMATIC APPROACH

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CONTENT

- **ECONOMIC FACTORS INFLUENCING THE DEVELOPMENT OF LOGISTICS AND TRANSPORT INFRASTRUCTURE**
- **BASIC PREREQUISITES FOR INCREASING FREIGHT FLOWS ACROSS THE LAND SECTION OF THE UKRAINE-EU BORDER**
- **DYNAMICS AND DISTRIBUTION OF CARGO FLOWS THROUGH CHECKPOINTS ALONG THE UKRAINE-EU BORDER SECTION**
- **WAYS TO SOLVE PROBLEMATIC ISSUES**

**ECONOMIC FACTORS
INFLUENCING THE
DEVELOPMENT OF
LOGISTICS AND
TRANSPORT
INFRASTRUCTURE**

**Freight
flow
volumes**

- the intensity of freight flows
- uniformity (non-uniformity) of freight flows

development of
infrastructure
throughput

**Structure
of freight
flows**

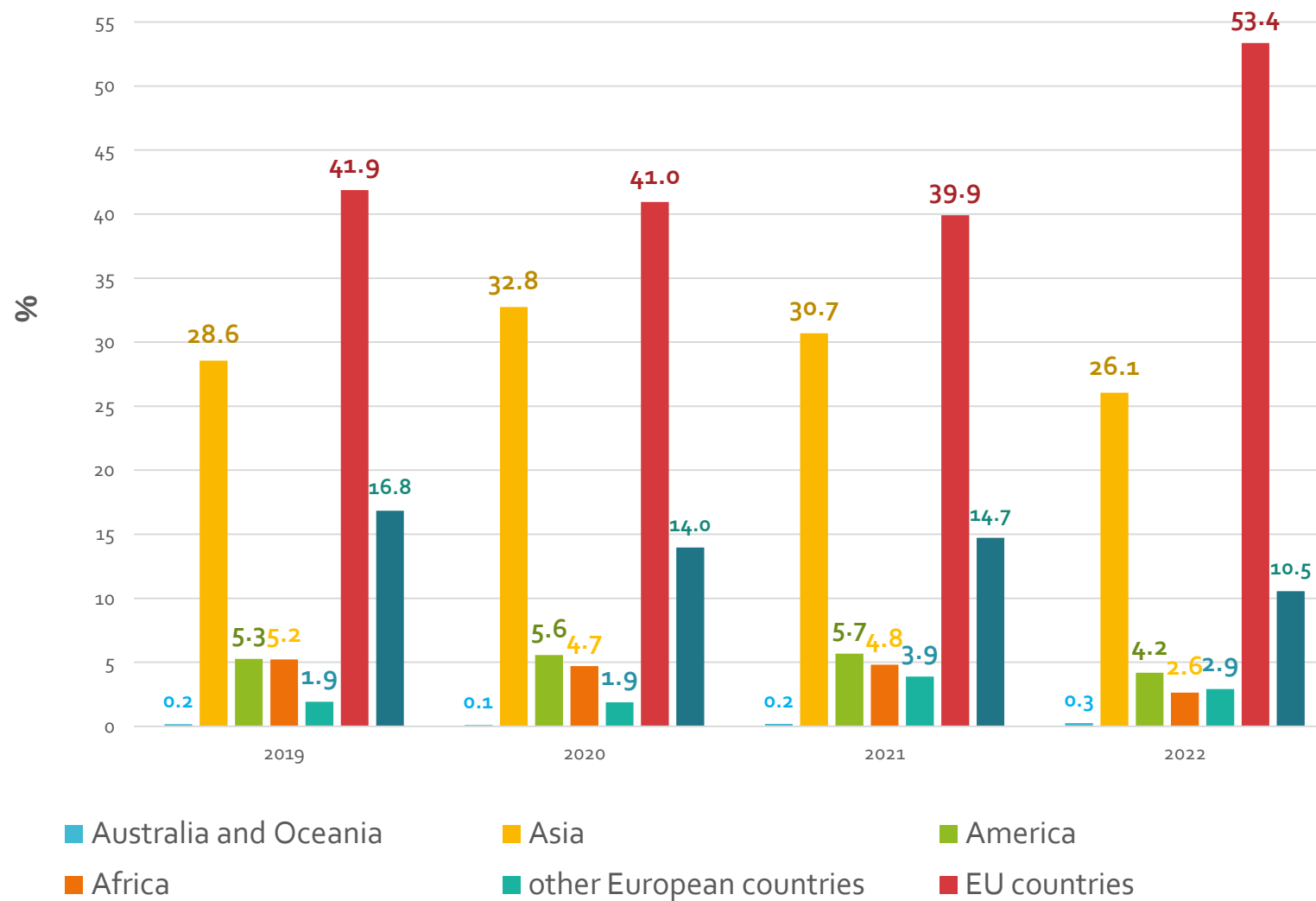
- commodity structure
- geographical structure

logistics
(transportation
mode, route...)

BASIC PREREQUISITES FOR INCREASING FREIGHT FLOWS ACROSS THE LAND SECTION OF THE UKRAINE-EU BORDER

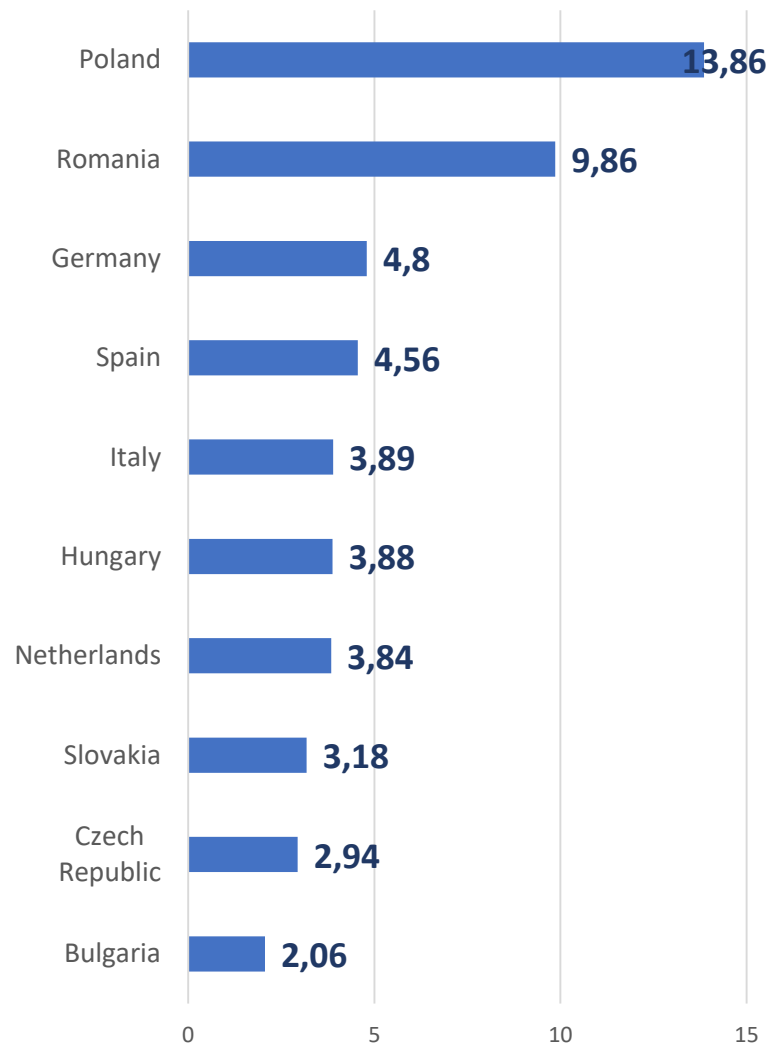
- Regulation(EU) 2022/870 of the European Parliament and of the Council of 30 May 2022 on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part (extended to June 2024) - **“economic visa-free regime”**
- AGREEMENT BETWEEN THE EUROPEAN UNION AND UKRAINE ON THE CARRIAGE OF FREIGHT BY ROAD (*Special Agreement on the Liberalization of Road Transport*), June 29, 2022 (has been extended until June 30, 2024) - **“transport visa-free regime”**
- Application of Common Transit Convention and the Convention on the Simplification of Formalities in Trade in Goods (the international application of NCTS) (from October 1, 2022) - **“customs visa-free regime”**
- **Reformatting of modern global freight logistics** (bypassing Russia and Belarus)
- Rebuilding Ukraine become the largest economic project in Europe today (2nd International exhibition & conference REBUILD UKRAINE powered by energy, 14-15 November 2023) (**investment attraction**)

Geographical structure of Ukraine's foreign trade

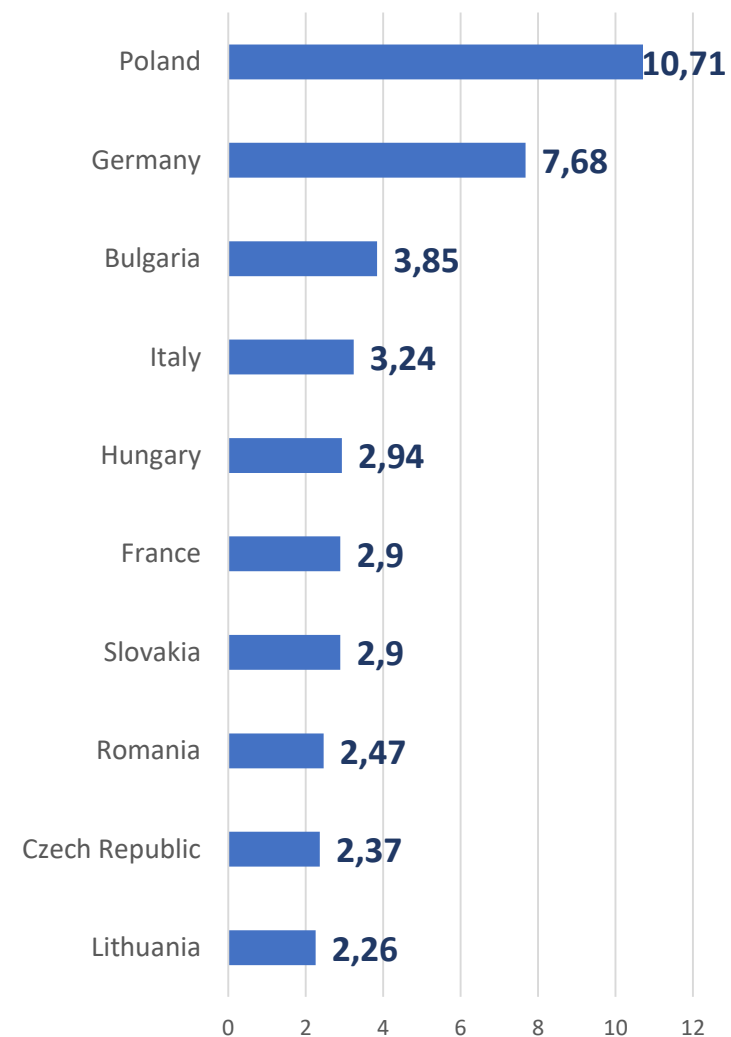


TOP-10 EU trade partners of Ukraine, the first half of 2023

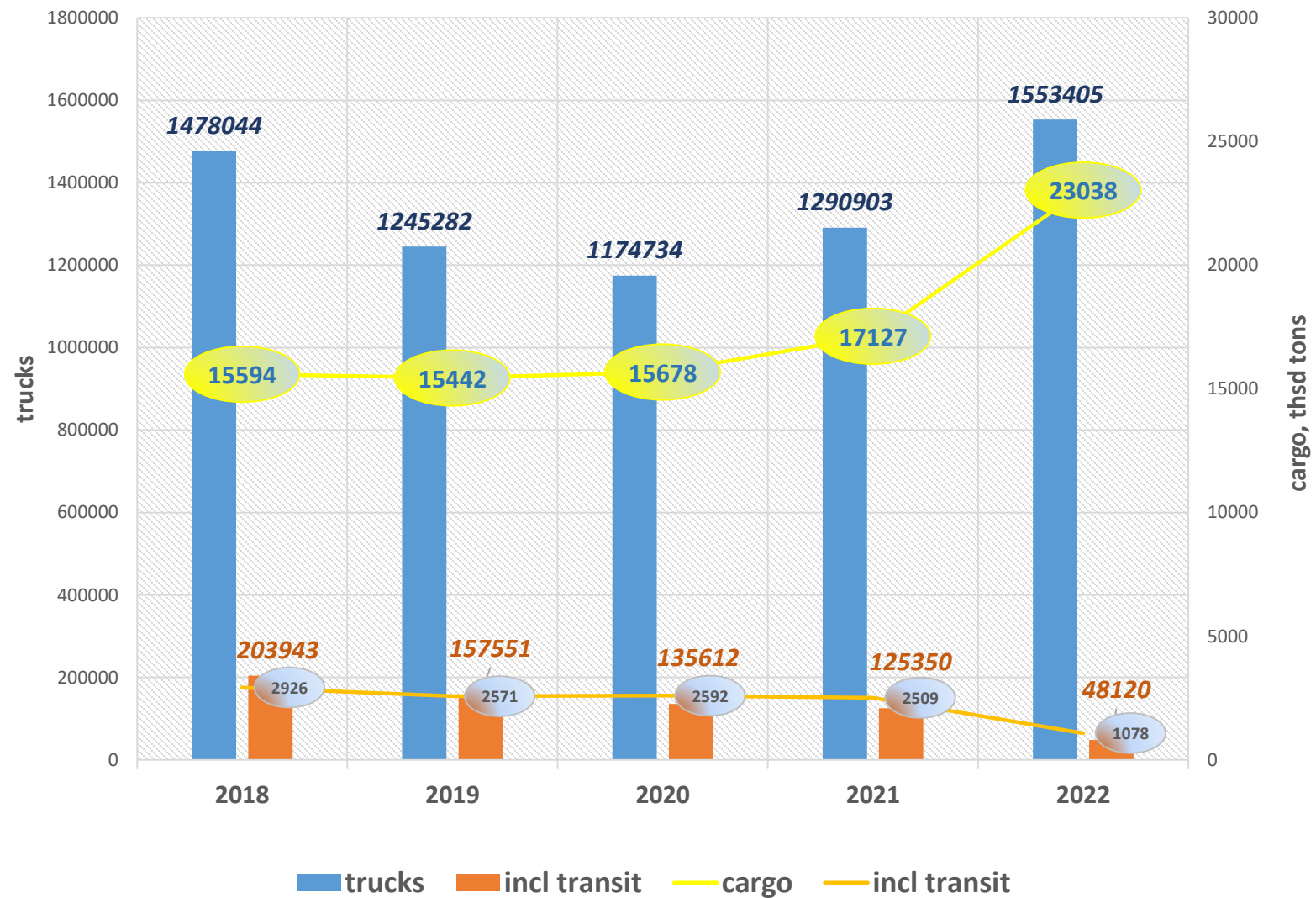
export



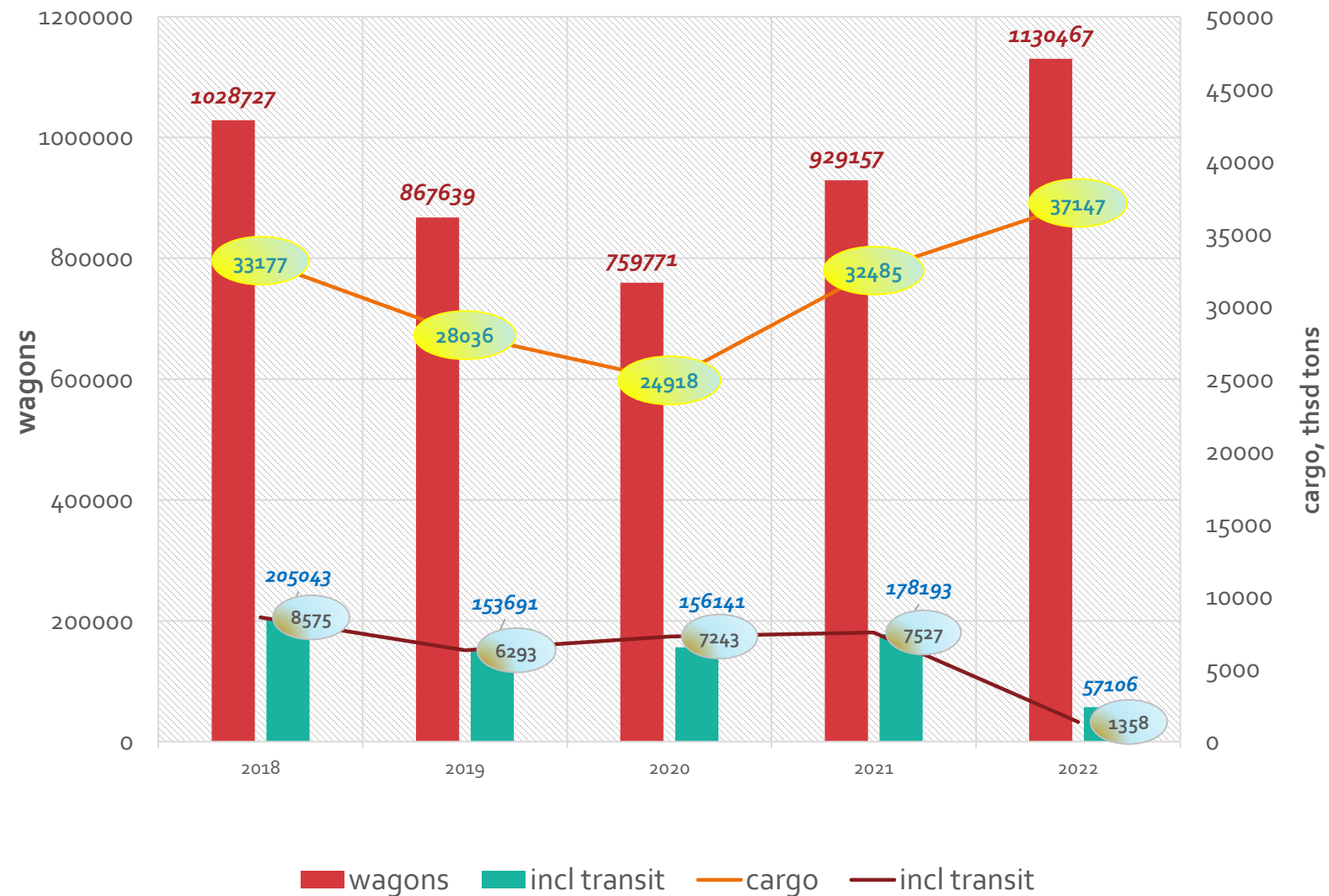
import



Dynamics of crossing the border by trucks and the volume of transported goods

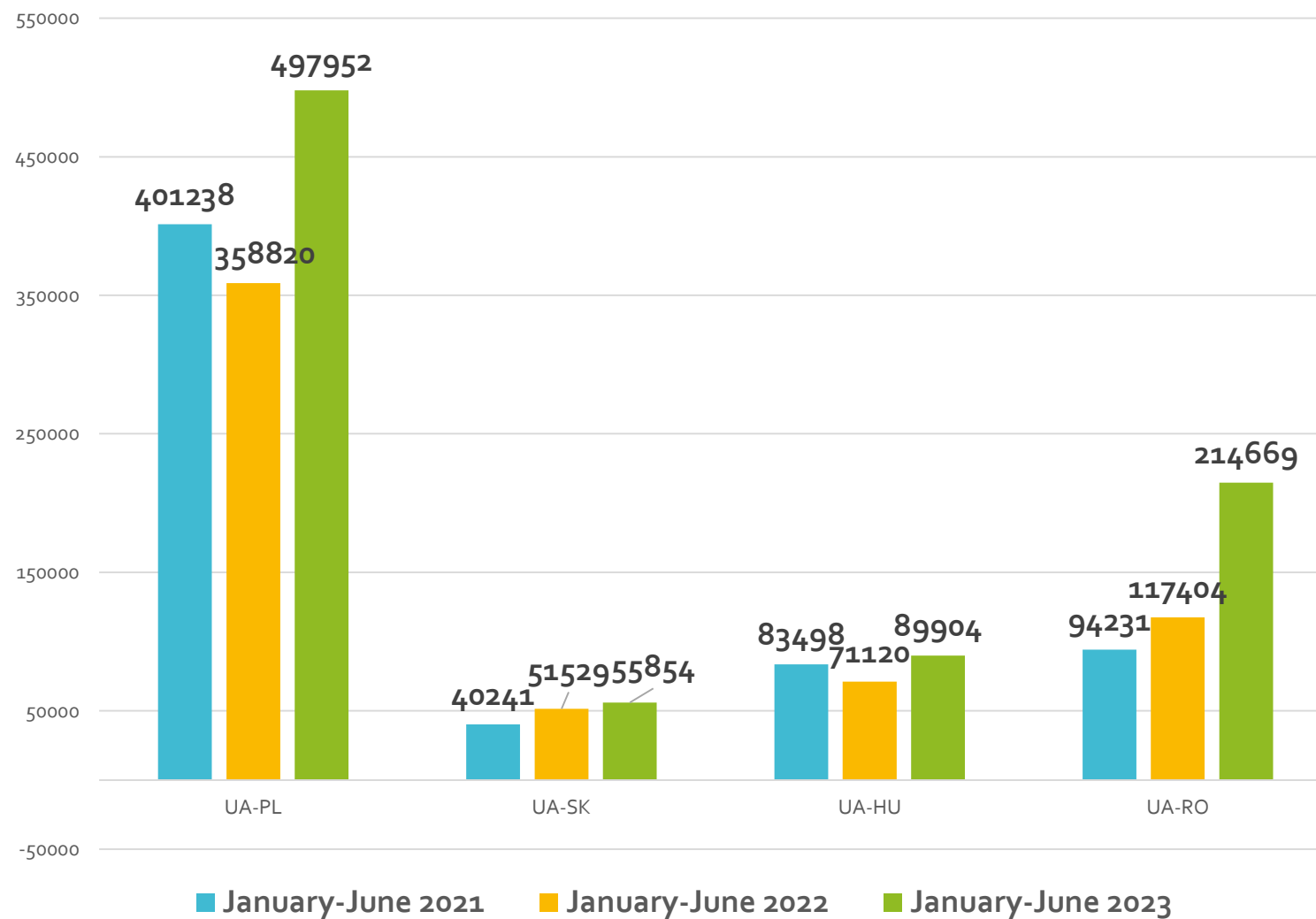


Dynamics of crossing the border by freight wagons and the volume of transported goods



Dynamics of the passage of trucks by sections of the Ukraine-EU border,

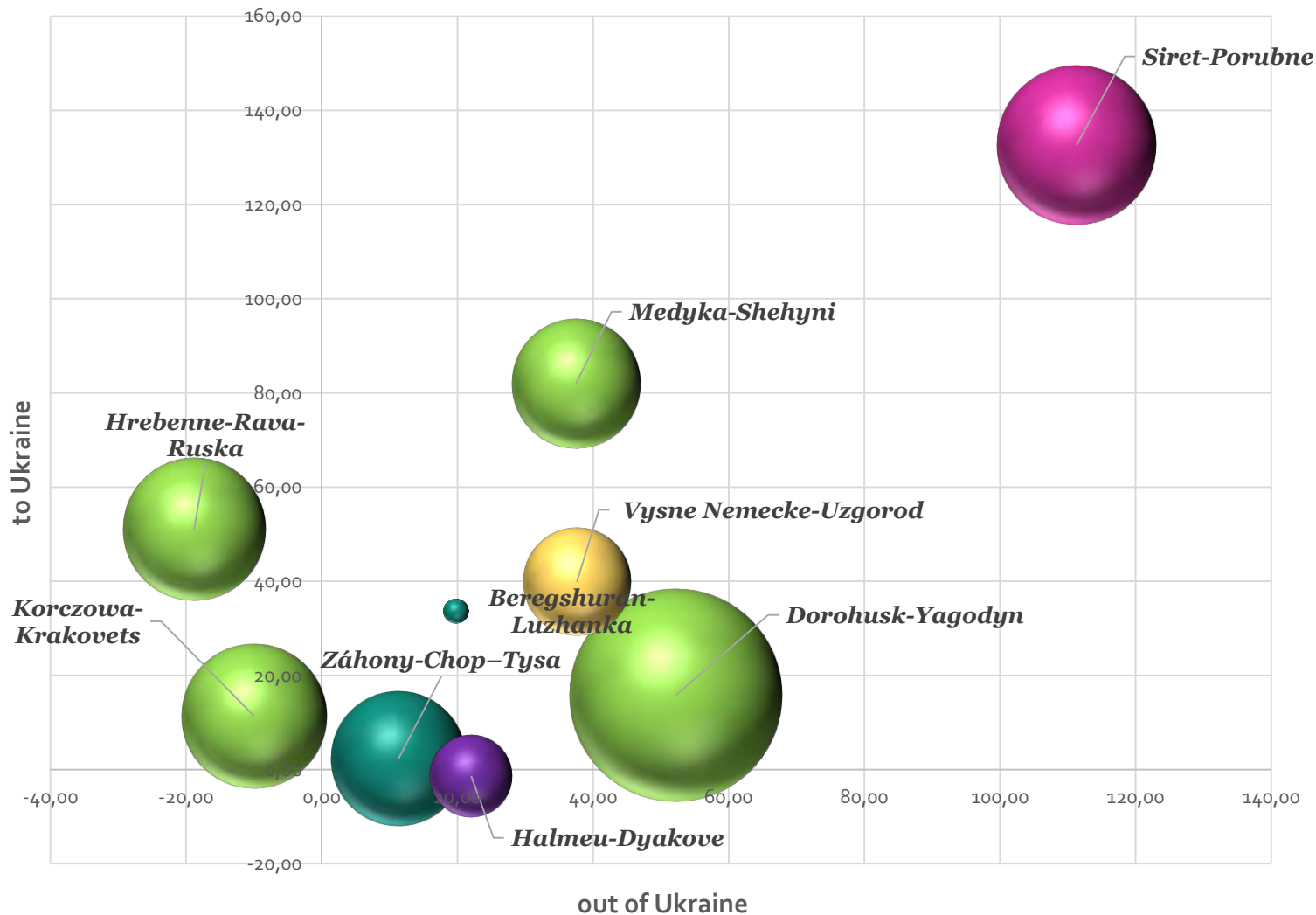
January-June 2021-2023



**Increase (decrease)
in the number of
border crossings by
trucks,**

*in the first half of 2023
compared to the first
half of 2021*

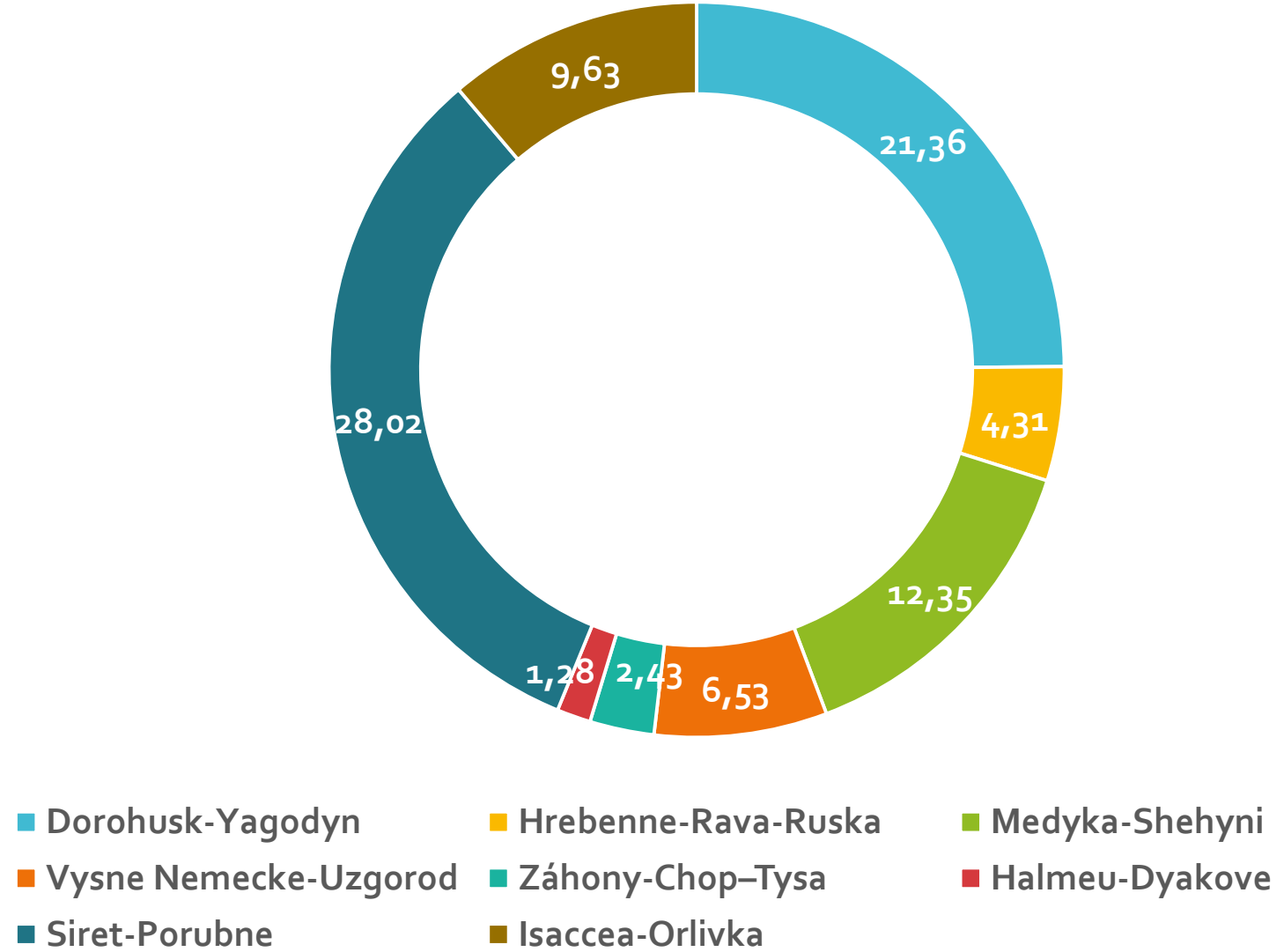
*The number of trucks passing
through the checkpoint
Isaccea-Orlivka in the
direction from Ukraine
tripled and almost doubled to
Ukraine.*



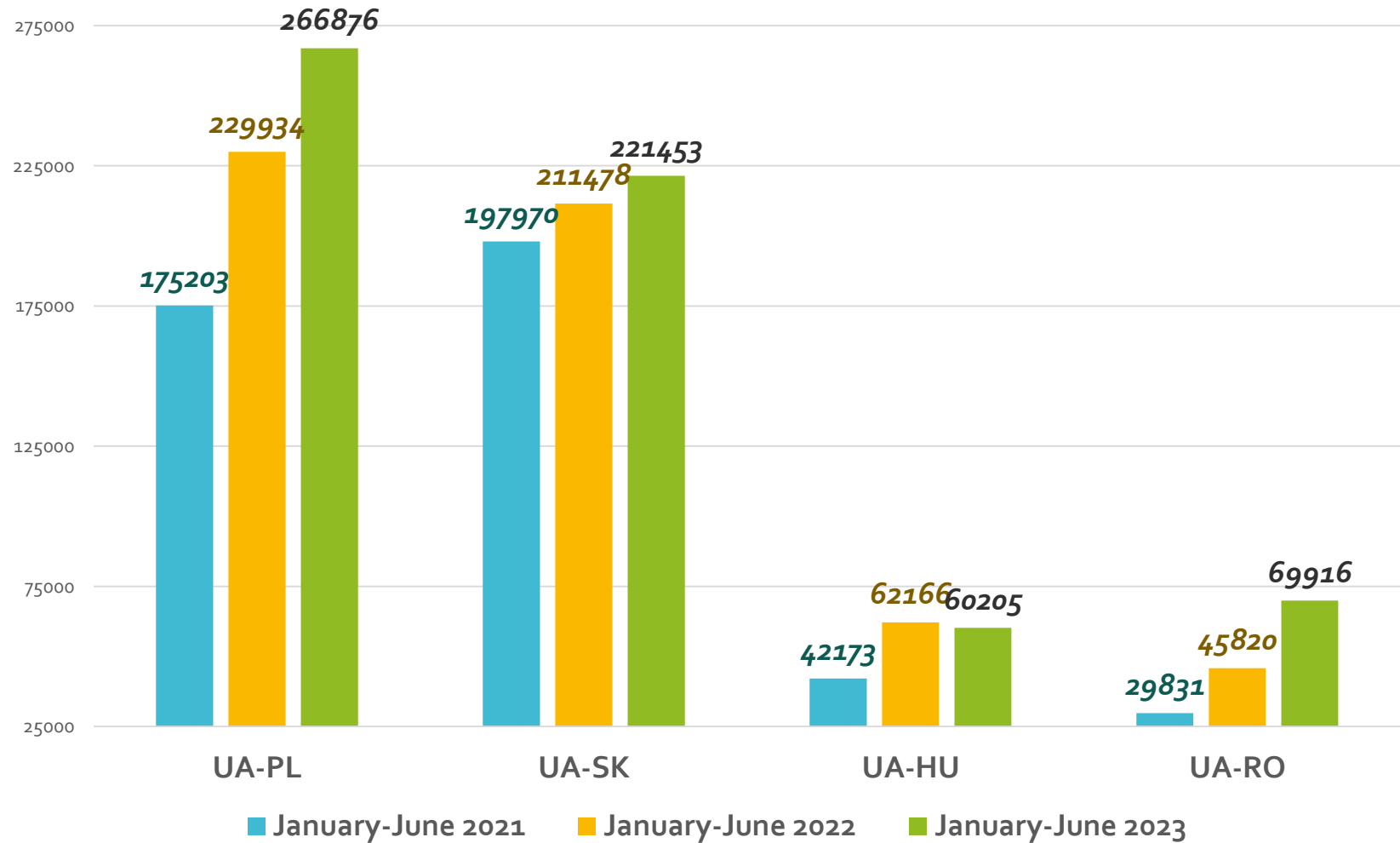
Bubble size represents the share of the checkpoint in the total number of trucks passed across the border

Distribution of the increased number of border crossings by trucks between checkpoints, %

In the first half of 2023, **239,171** more trucks crossed the border (38,6%) compared to the first half of 2021



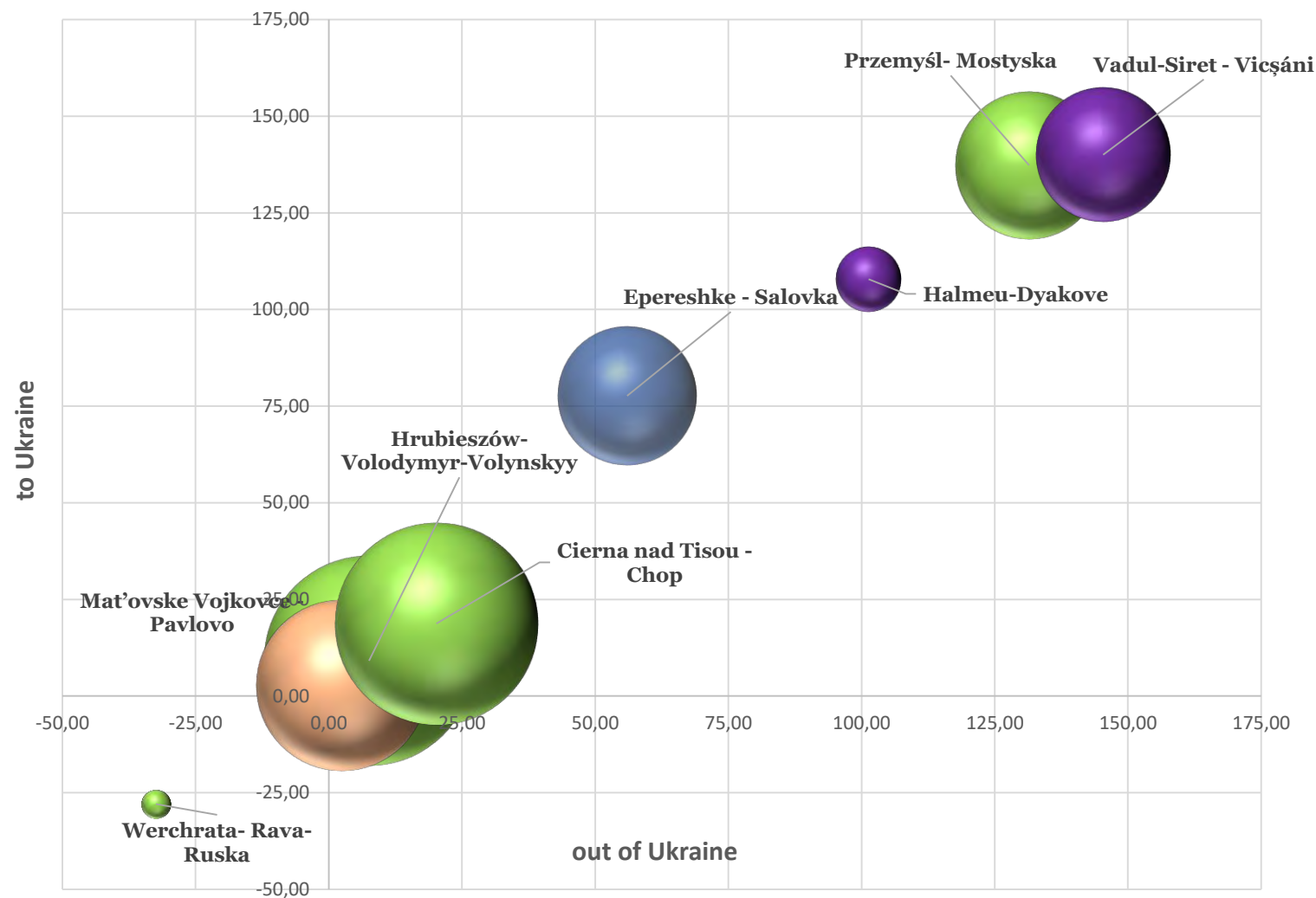
Dynamics of crossing the border by freight wagons by sections of the Ukraine-EU border, January-June 2021-2023



Increase (decrease) in the number of border crossings by wagons,

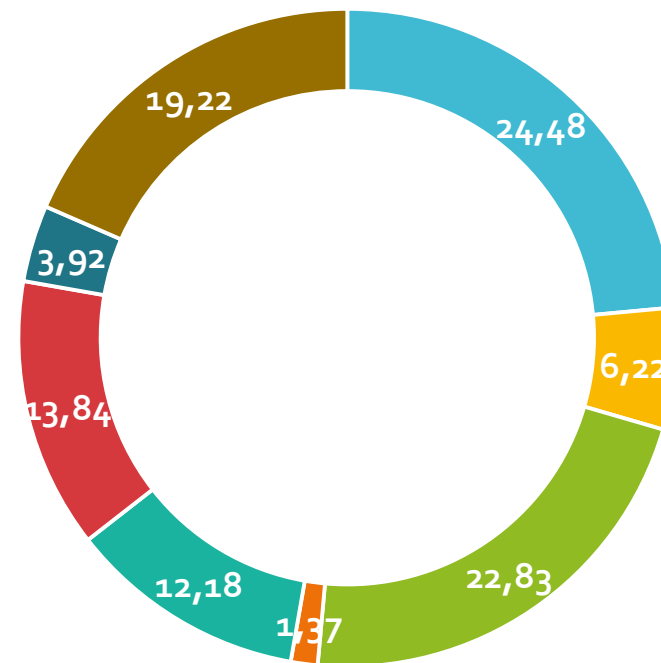
*in the first half of 2023
compared to the first
half of 2021*

The number of wagons passing through the checkpoint Dorohusk-Yagodyn has tripled, both in the direction from and to Ukraine. Its share was 8,95%



Distribution of the increased number of border crossings by wagons between checkpoints, %

In the first half of 2023, **173,273** more wagons crossed the border (39%) compared to the first half of 2021



■ Dorohusk-Yagodyn
■ Przemyśl- Mostyska
■ Cierna nad Tisou - Chop
■ Halmeu-Dyakove

■ Hrubieszów- Volodymyr-Volynskyy
■ Mat'ovske Vojkovce - Pavlovo
■ Epereshke - Salovka
■ Vadul-Siret - Vicșani

STRUCTURAL ELEMENTS OF LOGISTICS AND TRANSPORT INFRASTRUCTURE FOR CARGO TRANSPORTATION

Technical	Infrastructural	Institutional	Organizational and economic
<ul style="list-style-type: none">⑩ Transport communications⑩ Rolling stock	<ul style="list-style-type: none">⑩ Border infrastructure⑩ Terminals (warehouse, transshipment, logistics, etc. infrastructure)⑩ Roadside service infrastructure	<ul style="list-style-type: none">⑩ Integration into international transport corridors (ITC)⑩ As a structural element of international transport corridors (ITC)	<ul style="list-style-type: none">⑩ Participants and market capacity of transport services

Conclusions

- Unlike most EU countries, Ukraine remains a net exporting country (in physical values)
- Exports account for about 70% of Ukraine's foreign trade (in physical values)
- Country is characterized by a fairly low level of foreign trade development in terms of exports and imports per person (both in physical and value terms)
- During 2019-2022, the EU countries dominated in foreign trade with Ukraine: their share is constantly increasing: from 40.81% in 2019 to 53.35% in 2022
- EU neighboring countries are playing an increasingly important role in Ukraine's foreign economic activities. Their share increased from 13% in 2019 to 23% in 2022
- The traffic on the Ukrainian-Polish section of the border is the most intensive. The total number of border crossings by trucks exceeds the number of border crossings on the remaining three sections of the Ukraine-EU border
- In 2022, the increase in the number of crossings by trucks through the land section of the Ukraine-EU border exceeded the available design capacity of checkpoints. In particular, on the Ukrainian-Polish section of the border, the actual passage of trucks exceeded the project capacity of checkpoints by 41%, on the Ukrainian-Romanian section - by 16%
- According to the theory of mass service (the theory of queues), in real conditions, the collapse of the system (high probability of exponential growth of the queue) is observed when the load factor reaches 0.8-0.9. High flow intensity, non-uniformity of flows and insufficient capacity cause queues to form
- The throughput capacity of checkpoints should be more than 20% greater than the indicator of the intensity of cargo flow
- In the first half of 2023, compared to the previous period, the number of border crossings by trucks increased by 43%, and freight wagons by 12%
- Capacity development planning should take into account existing trends in volumes, routes and types of cargo transportation, freight traffic prospects, deepening of Ukraine's cooperation with EU member states, formation of new trade corridors, etc

THANKYOU

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