

Záhony Logistics and Industrial Zone

Project Brief

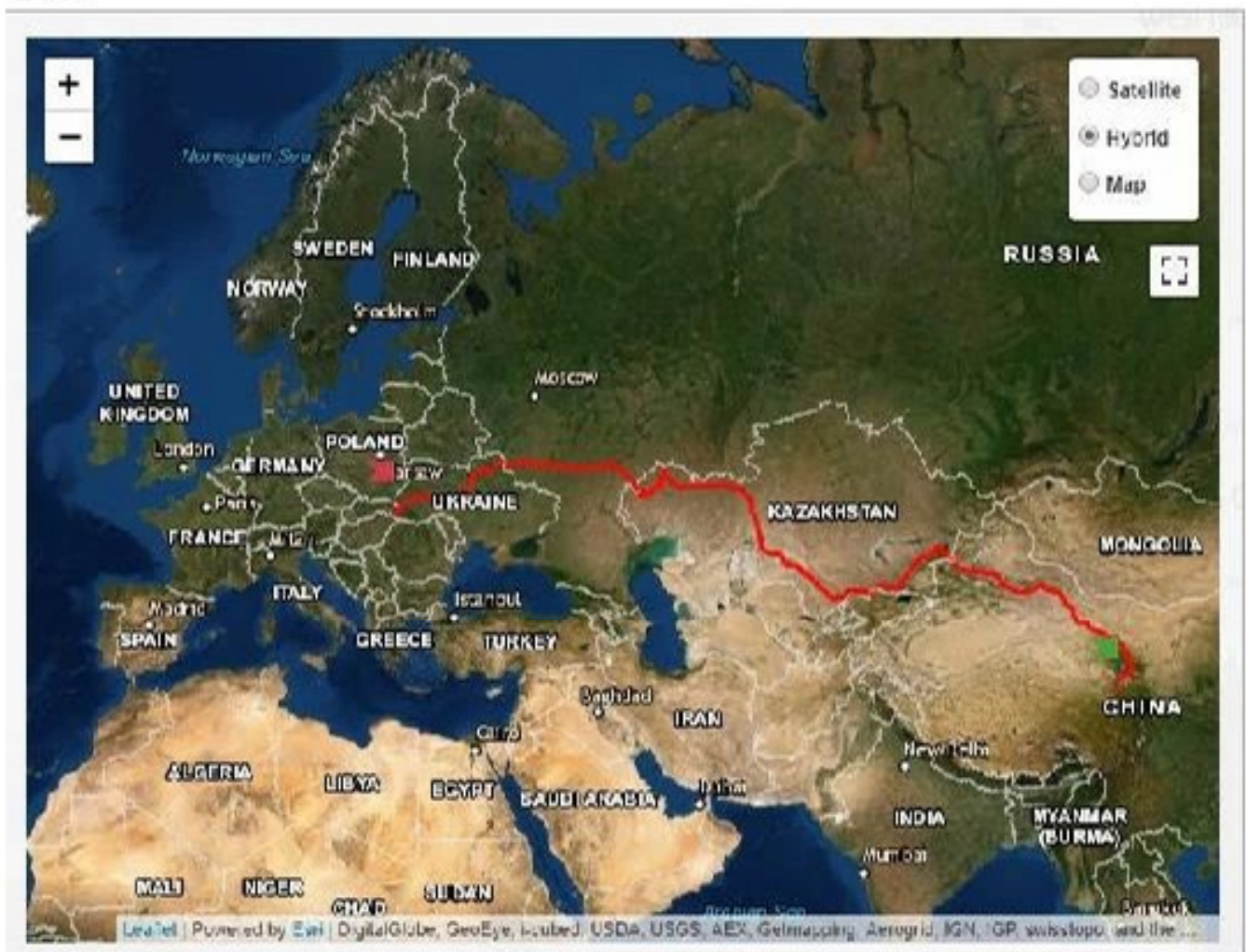
The aim of the Záhony Logistics and Industrial Zone project is to create an innovative logistics, railway and freight hub and industrial hub of strategic importance for Europe by increasing the global importance of the region

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Project background

The Záhony Logistics and Industrial Area aims to create an innovative logistics, rail and freight hub and industrial hub from China to Europe in line with China's 2013 Belt and Road Initiative (BRI) Economic Opening Program by joining the development of economic and trade routes from China to Europe. The map below shows the so-called New Silk Road, the planned route for China's container rail traffic to China.



Hungary's geopolitical location, geographical location, quick and easy access make it a key strategic partner for China. At the same time, there are many benefits for our country if it can effectively represent its foreign economic and foreign affairs with a country of such size and economic importance as China.

Záhony's strategic importance to China is not negligible either. At present, the Chinese side is also politically supporting the diversification of their land routes to Europe. Besides the significant overcrowded Belorussian-Polish traffic, China places special importance on strengthening other transport

routes within OBOR. As a result, our country has been given the opportunity to join and participate in the logistics of container traffic in China.

Záhony also forms a physical border, as the wide gauge railway lines change to narrow gauge here. Container traffic through the new Silk Road can provide a new opportunity for Záhony region, and thus for Hungary too, to play a role in the global freight traffic.

The developments will be implemented within the framework of the Záhony Logistics and Industrial Zone Consortium led by MÁV –REC Kft, the member of which is the state-owned Záhony-Port. The Consortium cooperates with the Chinese-owned Central European Trade and Logistics Cooperation Zone (CECZ) Ltd., supported by the Ministry of Commerce of China and the Ministry of Finance of China.

The Hungarian state also supports the Consortium with a government decision to develop investment plans. The consortium aims to design and subsequently realize an industrial-logistics investment concept in the eastern Hungarian region to be implemented as part of a multi-year investment.

Project objectives

As part of the project, investments in infrastructure, technology and industrial development will be made in eastern Hungary and in the vicinity of Záhony with the participation of Hungarian and Chinese stakeholders.

The aim of the project is to increase the current 750 container traffic per year to 150,000 containers by expanding other existing transshipment capacities and to establish foreign manufacturing giants in the region. Investments are concentrated in two main areas. On the one hand, efforts are aimed at the development of the Záhony cross-border railway transshipment area and, on the other hand, the development of industrial technology in eastern Hungary.

1. Developments in Záhony

The consortium plans to carry out the investments necessary for the growth of container traffic by developing and digitizing a comprehensive railway freight forwarding and management system in Záhony, modernizing railway tracks, applying advanced transshipment technologies and solutions, and expanding capacity. Improvements are made using state-of-the-art, forward-looking technologies, as this is the only way to ensure transshipment efficiency in the long term. It is also necessary to reduce operational and administrative time for transshipment, while reducing associated costs. Creating complex unified, centralized management of processes serves these purposes as well as reducing the proportion of live work.

In addition, the development concept is exploring the possibility of building a self-driving rail test track that will provide a testing ground for self-driving locomotives.

Major goals:

- modernization and extension of the railway networks
- digitization and development of a unified IT system
- installation of shunting locomotives with advanced remote control capability, which can even operate in electric (hybrid) mode within the hall
- installation of high-level automatic loading and unloading equipment
- development of a dedicated infrastructure capable of handling container loading needs at several levels
- setting up a modern educational centre capable of transferring modern knowledge
- construction of a self-guided railway test track

1. Developments in eastern Hungary

Infrastructure development aims to move Chinese companies, factories and assembly facilities into the country, which, together with Hungarian companies, will further increase the region's commercial and economic significance.

The industrial parks to be established in the region will provide opportunities for large Chinese companies to relocate their productive activities, thus moving within the EU. China's idea is to set up Chinese-Hungarian joint ventures to realize investments. China provides the working capital needed for the investment, while Hungary provides the location and infrastructure. Záhony region would be suitable for assembling goods from China, for example to establish a Chinese - Hungarian locomotive factory.

Innovative technology investments require the development of modern logistics systems, production and production lines, factories, industrial and assembly facilities, as well as the support infrastructure and service centres needed to service them. In addition to traditional industrial investments, the installation of a solar panel and server park is also planned.

