

# Assessment of the effectiveness of the Northeast Passage

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Alexander Burenin

Stepan Karapetyan

Peter Kulakov

Oleg Rybtsov

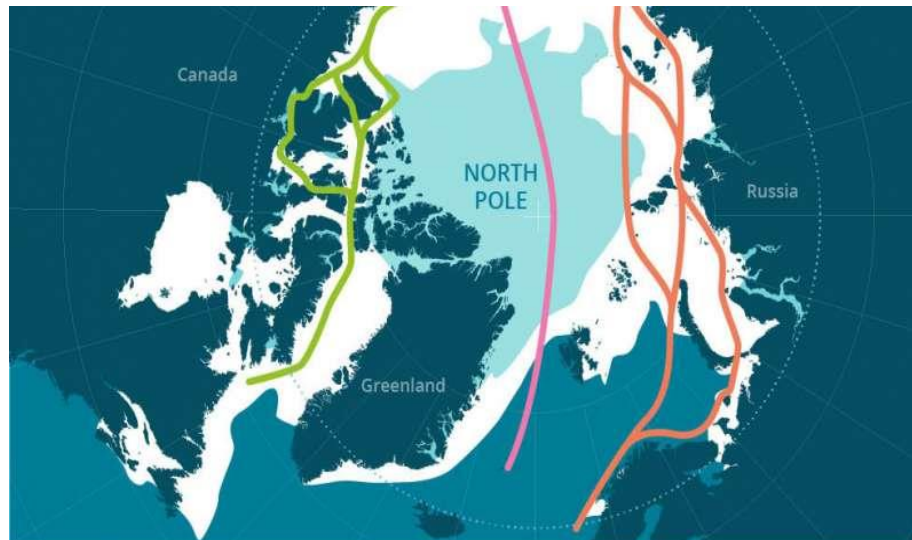
Students of the International Finance Faculty

Moscow - 2019

- **Current situation**
- **3 ways of development:**
  - **China becomes major trader in NEP**
  - **Opening of the second Suez Canal will dominate over NEP**
  - **“Russian case”**
- **Interest of Bulgarian side**
- **Conclusion**

## CURRENT SITUATION

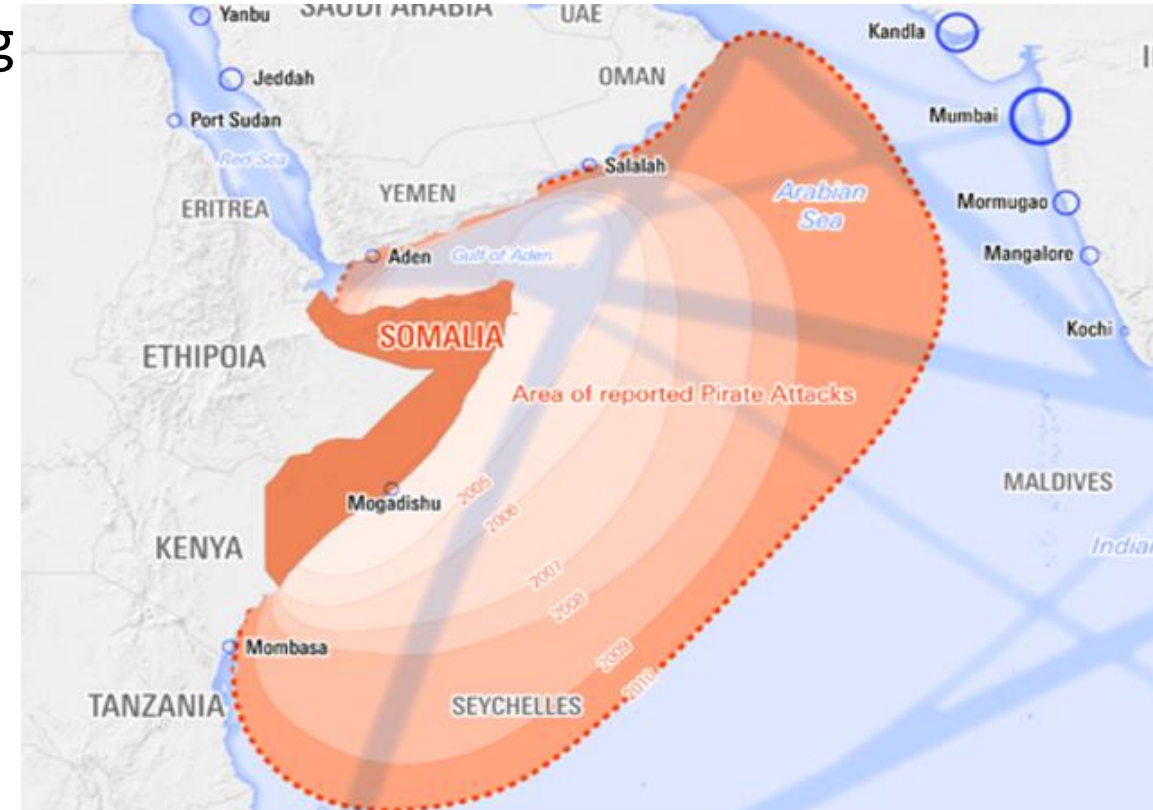
- The Northeast Passage plays an important role in Russian economy
- NEP as a link between China and Europe



	Suez Canal	NEP
Climate	6-7 months navigation closed	All year transit
Duration	44 days	26 days
Length	12,840 nautical miles	5770 nautical miles.
Cost	1000000 \$	600000\$
Terrorism	High risk of pirates	No risk

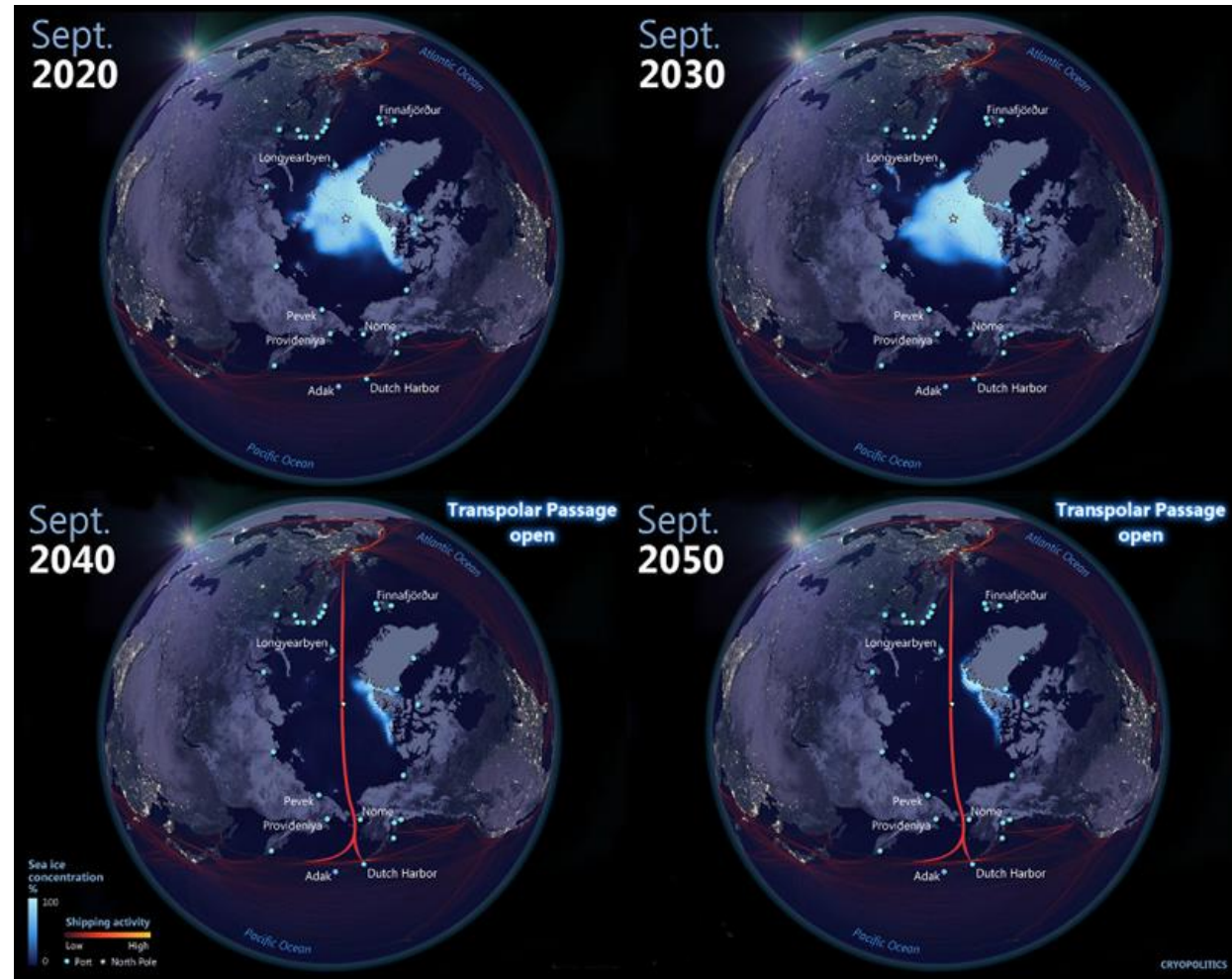
## CURRENT SITUATION

- The Suez Canal proves to be a reliable source of revenue
- Pirates in the Red Sea make travelling more dangerous



## CHINA BECOMES MAJOR TRADER IN NEP

- China prepares for an ice-free Arctic Ocean
- The Transpolar Passage is inevitable



## THE SECOND SUEZ CANAL



- Two-way traffic
- Estimated results:
  - Double the capacity
  - Triple the revenues  
(estimated returns 5,3 bln. \$)



## "RUSSIAN CASE"



- The development of the Russian North will reinvigorate the NEP
- Estimated investment volume 500 billion rubles.
- Need for new facilities

	NEP	Suez Canal
<b>Cost of Ships</b>	Heavy icebreakers- 300-700 mln. USD. (Baltic Factory)	Countainer ships- 10-150 mln. USD.
<b>Cost of OIL</b>	1800 tons ( 32000 rub per one)	1200 tons( 32000 rub per one)
<b>Cost of service</b>	According to the amount of accidents.	According to the schedule

## BULGARIA

TOTAL: \$31B

Europe

72%

Asia

19%

Africa

5.5%

North America

2.7%



- 20 percent of Bulgarian exports goes to Asia
- Common interest for NEP development
- Estimated time from Europe (35-50days- Syez)
- Estimated railway + sea transportation( 20-35 days-NEP)





# Thank you for your attention!

Any questions?