Eurasian Logistics Platform Project

« SilkWay »

2019

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1.1. Introduction

Current trends in the external economy are marked by an emphasis on strengthening inter-regional trade and trade-investment relations. Transnational trade and investment partnerships are laying the foundations for a new era, a Comprehensive Regional Economic Partnership.

In the context of these trends, questions are being raised about the revival of Eurasian regional integration in terms of trade and economic relations. In the past, the Great Silk Road performed this function. The governments of various Asian countries are developing concepts regarding its revival.

There is a tendency for a sharp increase in freight traffic in Asia, while in Europe the situation is reversed - freight volumes are gradually decreasing **[1]**.

The main problems of the development of Eurasian trade integration are the legislative features of different states, the lack of an information base, a language barrier, etc.

The total volume of world GDP in 2018 amounted to 85.8 trillion dollars. The volume of GDP of the EU countries is equal to 17 trillion dollars, and the countries of Asia - 39 trillion dollars. Thus, according to World Bank, in 2018 the indicators of the volume of GDP of the Eurasian region amount to $ 56 trillion, or 65.268% of the global GDP **[2]**. The trade potential between the Eurasian and Asian integrations is huge, however, it is realized only by a few percent of its capabilities.

Consequently, the presence of a project uniting the transport and logistics market of the Eurasian region will significantly increase the volume of cargo transportation between countries, strengthen trade and integration processes, and contribute to the development of infrastructure in the industry.

1.2. Brief description of the project

The SilkWay logistics platform project is aimed at uniting participants in the trade and logistics market in digital space. Creating a unified Internet platform based on new technologies will reduce the time it takes to find the right transport company, reduce the cost of transporting goods in any direction.

The SilkWay project involves the creation of an entire ecosystem of freight transportation, within the boundaries of which the volume of trade cooperation in the Eurasian region can increase several times, due to the solution of the main problems associated with Eurasian trade integration.

In addition to the logistics platform, the project involves the creation of:

- professional social network where each company will be able to register a personal page;
- an interactive map of the location of goods, free transport, as well as major highways, logistics centers, warehouses, ports, etc.;
- catalog of forwarding, transport, insurance companies, customs brokers, logistics centers, seaports, warehouse terminals by country;
- instant messenger chat. Participants will not only be able to exchange information, but also use the function of automatic message translation, make audio and video calls;
- a container exchange aimed at reducing container downtime and reducing the volume of empty containers, which, accordingly, will reduce the costs of market players.

The implementation of this project, among other factors, is facilitated by national strategies aimed at reviving the Great Silk Road. In accordance with these concepts, it implies the creation of transport infrastructure, the development of transport and economic corridors in order to increase the transit potential of Asian countries.

1.2. Why us

SilkWay logistics platform is a solution to the problems that exist in the trade and logistics sector and which act as the main obstacles to Eurasian trade integration. The platform will save time and money for cargo owners, and for transport companies this project is useful in that transport downtime and empty mileage will be reduced to a minimum.

The project of the SilkWay logistics platform is unique and therefore attractive not only from a commercial point of view, but also from the point of view of strengthening trade relations between countries and establishing inter-regional partnerships.

2. Analysis of the Eurasian trade and logistics freight market

2.1. The structure of the global transport system

The structure of the global transport system includes four main modes of transport: land, water, air and pipeline. Land is divided into railway and road, and water - into river and sea.

The demand for different modes of transport in the freight system can be illustrated by the following diagram:

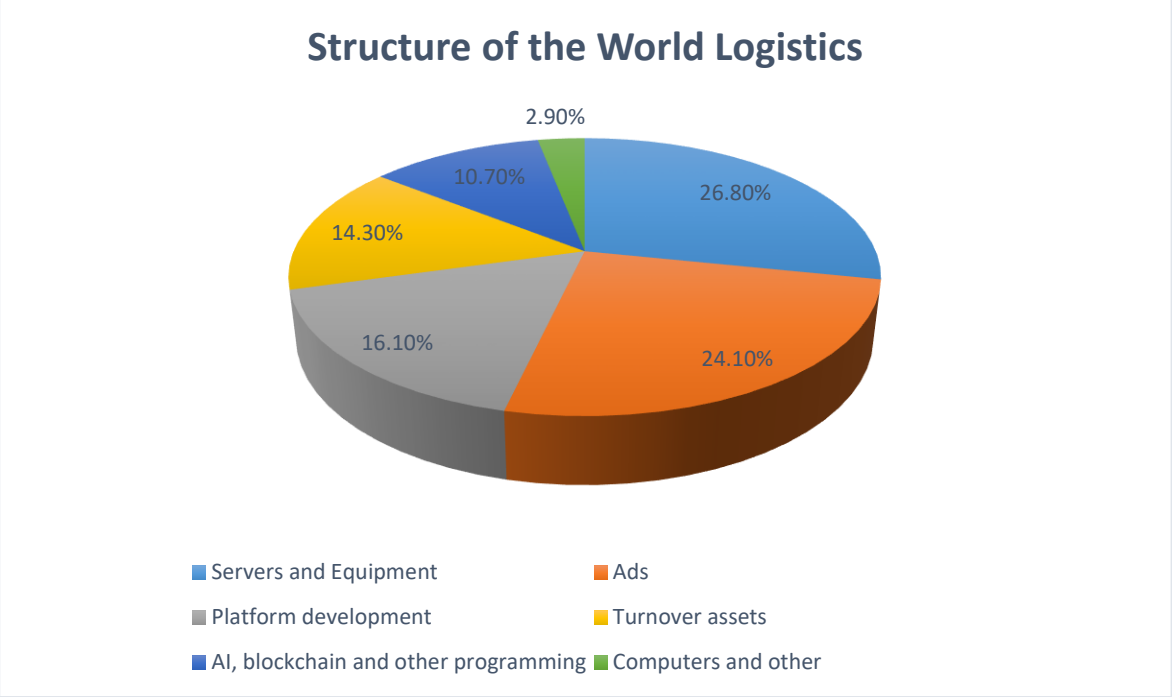

Diagram 1. The structure of the global transport system **[3]** *(in%)*

Consequently, cargo transportation by sea is the most popular type of transportation.

Road transport is dominant in terms of length. The total length of roads is 27.8 million km., Railways - 13.2 million km. The total length of river transport is 0.4 million km, pipelines - 2 million km.

The world transport market, according to World Bank estimates, is $ 4.2 trillion, or 6.8% of world GDP **[4]**.

2.2. Volumes and potential of the Eurasian transport and logistics market

Recently, there has been a rapid development of cargo turnover in Asian countries, while European states in this regard are characterized by stagnation. The development of Eurasian trade relations is a key task in terms of increasing freight turnover in the European region.

In order to compare the changes in cargo turnover between 2008 and 2018, we took the indicators of Asian and European countries with the largest volume of cargo turnover.

The changes can be illustrated by the following table:

Countries	2008	2010	2012	2014	2016	2018
Germany	341 550	313 097	307 106	310 142	315,768	316 767
Spain	242 978	210,064	199 205	195 763	216 993	238,991
France	195 515	174,409	165 808	159,530	151 213	168,480
Italy	165 385	162 509	118 100	110 411	106 581	111 728
Great Britain	161,600	153,829	152,706	136 873	157,657	161 112

Table 1. Cargo turnover in European countries in 2008-2018 (million ton-kilometers **[5]***)*

Thus, if we compare the indicators of 2008 and 2018, then all European countries show a negative balance of changes in cargo turnover. The UK has the smallest losses (-0.31%), while Italy (-32.5%) shows the largest losses.

Countries	2008	2010	2012	2014	2016	2018
China	3 286 819	4 338 967	5 953 486	5 684 690	6 108 010	6 677 150
India	1 021 600	1 287 300	1 508 000	1 824 300	2 226 570	2 435 870
Japan	346,420	246 175	209 956	210 008	210 314	210 467
Turkey	181 935	190 365	216 123	234,492	253 139	266 502
South Korea	101 437	102 808	11 529	124,650	135 259	140,374

Table 2. Cargo turnover in Asian countries in 2008-2018 (million ton-kilometers **[6]***)*

In the process of analyzing cargo turnover indicators in Asian countries, we see a positive balance in all countries except Japan. The highest growth in percentage terms shows India (+ 138%). In China, the growth in freight traffic amounted to + 103%, in Turkey - + 46%, and in South Korea - + 38%.

Consequently, the European region is developing at a less dynamic pace in terms of cargo transportation, therefore, strengthening trade integration between the European and Asian regions will contribute to a significant increase in these indicators. Given that the necessary transport infrastructure has already been created in Europe, and is actively being created in Asian countries.

2.3. Major freight links between Europe and Asia

The main cargo flow between the European and Asian regions is carried out by shipping, but the Eurasian region has enormous potential in terms of land transportation, having a developed system of rail and road communications.

Assessing the potential of the Eurasian transport and logistics market requires a more detailed analysis of the main freight links between Europe and Asia.

Railway communication between European and Asian integrations.

Rail freight is carried out along 9 main routes:

1. Trans-Siberian Railway. The Northern Way runs from Moscow to Vladivostok, and also unites Northern Europe, the Baltic region with China. The length of the path is more than 10 thousand km.
2. Trans-Siberian Railway. The Southern Way connects the southern borders of the European Union with the eastern regions of China. Passes through the territory of Belarus, Ukraine, Russia. The total length of the path is more than 8 thousand km.
3. The southeastern part of the EU (Hungary, Romania, Bulgaria) - China. The railway passes through the Caucasus region and Central Asia. The total length is more than 7,500 km.
4. "Trans-Eurasian Railway" or "Southern Silk Road": from Bulgaria to China, through the territory of Iran and Central Asia. The total length is 6,800 km.
5. Finland - Iran, through the Caucasus and Central Asia, with branches to India and Malaysia. The total length of railway communication is 6,000 km.
6. The eastern part of the EU (Hungary, Poland) is the Pacific coast of Russia, through the territory of Central Asia. Total length: more than 6,000 km.
7. The eastern part of the EU (Hungary, Poland) is China, through the territory of Central Asia. Total length: more than 5,500 km.
8. Baltic region (Lithuania, Latvia) - Iran, through the territory of Azerbaijan. Total length: more than 5 thousand km.
9. Finland - Central Asia, through the territory of Russia. Total length: more than 5 thousand km.

Thus, the total length of trans-Eurasian rail links is more than 60 thousand km.

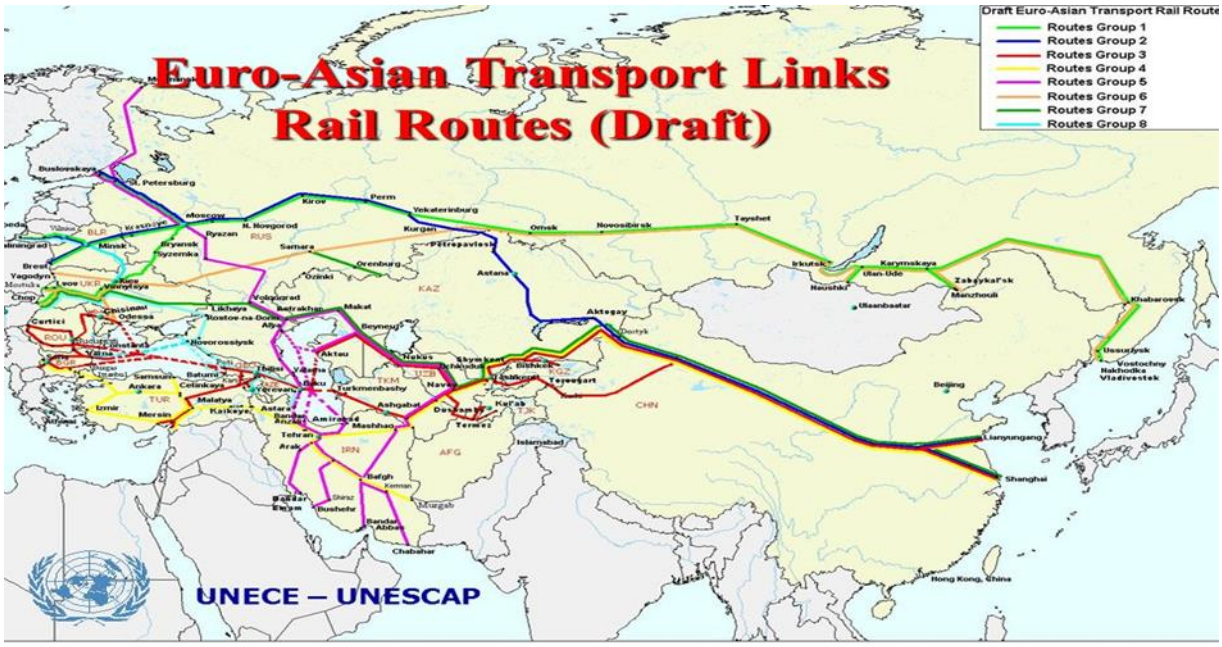

Fig. 1. Map of Eurasian Railways **[7]**.

Automobile communication between European and Asian integrations

Trucking between Europe and Asia is carried out along 7 main routes:

- EU border with Belarus - Pacific coast of Russia;
- The north-eastern part of the EU (Finland, Poland, Lithuania) - the eastern part of China, with branches to Kazakhstan and Kyrgyzstan;
- Eastern part of the EU (Poland, Hungary) - China;
- The southeastern part of the EU (Bulgaria) - China, through Central Asia;
- Southeastern part of the EU (Bulgaria, Slovakia) - Iran;
- Finland - Iran, with branches to India and Malaysia;
- Northern regions of Russia - China.

The importance of automobile communications from the point of view of the development of Eurasian trade integration is rather high, since in European countries more than 75% of freight traffic is carried out using road transport. In the Asian part of the continent, this figure is only 36%, while in some regions it reaches 14% (Central Asia).

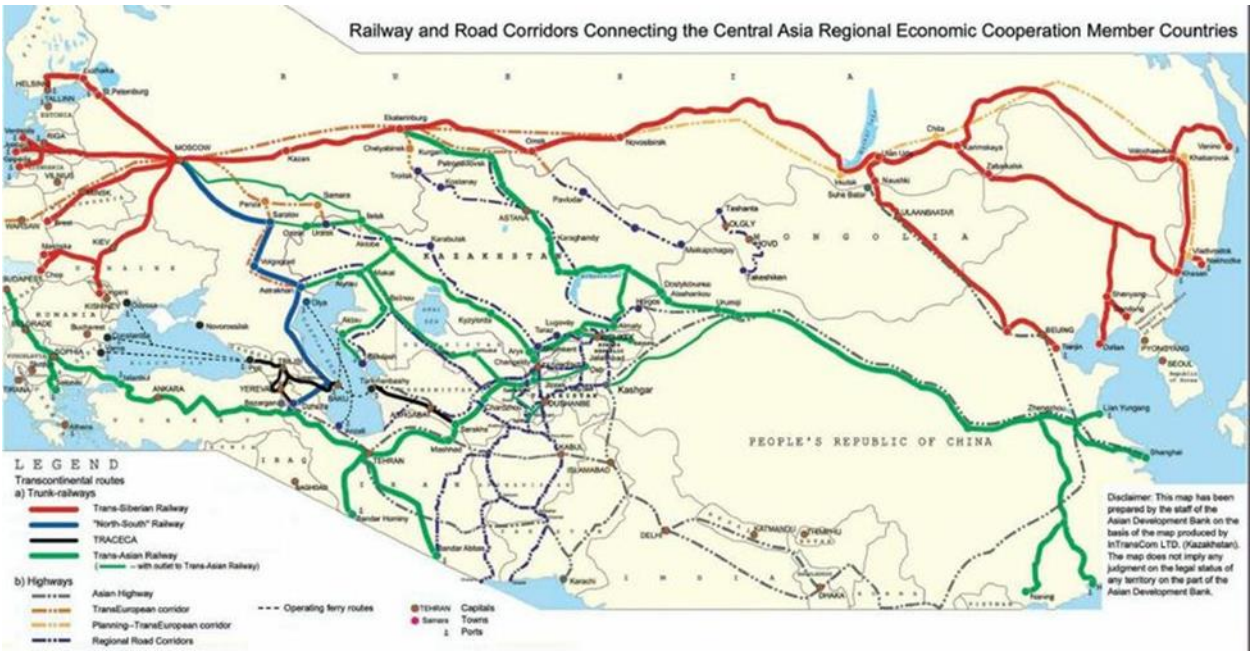

Fig. 2. Map of Eurasian road communications **[8]**.

Maritime Communication between European and Asian Integrations

Maritime traffic between European and Asian countries is the main way of transportation.

In the Eurasian region, there are only 43 seaports with a road or rail connection.

The 10 largest ports in terms of cargo transportation are the following:

- Shanghai (China): 36.5 million 20-foot containers annually, an increase of 4.98% per year.
- Singapore (Singapore): 30.9 million containers per year, an increase of 3.96%.
- Hong Kong (China): 20.1 million containers, an increase of 2.11%.
- Busan (South Korea): 19.4 million containers, an increase of 5.64%.
- Dubai (UAE): 15.6 million, an increase of 11.4%.
- Rotterdam (Netherlands): 12.2 million, an increase of 5.8%.
- Port Klang (Malaysia): 11.8 million, an increase of 5.76%.
- Antwerp (Belgium): 9.6 million, an increase of 4.66%.
- Siamese (China): 9.18 million, an increase of 7.04%.
- Hamburg (Germany): 8.8 million, an increase of 5%. **[9]**.

Air links between European and Asian integrations

According to the annual report of Boeing Corporation, the percentage of air cargo between the countries of Europe and Asia is only 19.6% of the global volume **[10]**. However, recently there has been a tendency to increase annual freight traffic by 5.5% on average.

A limiting factor in the development of this type of message is the price factor.

Thus, an analysis of the Eurasian freight transportation market shows that the market's development potential is huge, while the transport system is used, according to various estimates, to only 35-45% of its capabilities.

Currently, trade links between Europe and Asia are implemented in two main directions - the EAEU and the transport corridor TRA WITH ECA (Azerbaijan).

For example, the volume of cargo through the TRA C ECA transport corridor (Europe-Caucasus-Asia) has slightly decreased in recent years:

	2012	2014	2016	2018
Freight (mln. tons)	51 688	56 869	58 191	50 302
Transit traffic (million tons)	15 971	15 719	12,771	7 997

Table 3. Cargo through the TRA transport corridor with ECA in 2012-18 **[11]**.

The volume of transit traffic fell particularly sharply - by 48.2% from the 2012 figures.

Currently, there are enough obstacles to European trade integration, however, these obstacles can be leveled over time, both due to the legislative and technological base, which will increase the volume of freight traffic between the two actively developing regions. Trade integration is important from both an economic and an ecological point of view.

3. Problems of trade and logistics interaction between European and Asian countries

Considering Eurasian integration in the broadest sense of the word, it implies a set of integration processes and projects throughout the vast supercontinent of Eurasia, from the Atlantic to the Pacific Ocean. More than 5 billion people currently live in Eurasia, which makes up more than 70% of the world's population. The continent's GDP is $ 56 trillion, which corresponds to more than 65 % of global GDP. The resource and transport significance of Eurasia is extremely large for the global economy and the livelihoods of the population, and in the near future it will only increase **[12]**.

Analyzing the main problems of the development of Eurasian trade integration, two categories of problems can be distinguished:

- physical nature;
- non-physical nature.

Physical problems include an insufficient level of infrastructure development in some regions. For example, many transit regions are landlocked: Afghanistan, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, etc. Consequently, maritime transport in these countries is not available, and therefore the problem of creating high-quality road and rail infrastructure is becoming increasingly acute.

Non-physical problems in this case are much more important. In this area, the views and interests of state organizations and private structures do not coincide. For example, an assessment of the role and importance of national trade and transport facilitation committees, as well as other forms of public-private partnerships, could be high or low, depending on which sector representatives expressed it.

For example, in the countries of Central Asia, legislation in the transport and logistics sector implies differences in legislation, and legislative norms differ significantly from

international practices. In Kyrgyzstan, the specifics of the legislation are quite liberal, in Kazakhstan and Tajikistan - relatively liberal, while in Uzbekistan - quite tightened.

While the state of transport infrastructure and its quality are improving, albeit slowly and not in all parts of the network, the state of road and rail management is in many cases of concern. The level of computerization, as well as the degree of introduction of information and communication technologies in transport and in the customs authorities of some countries, still needs to be significantly increased. A number of practical issues related to border crossing are still not resolved. Thus, state bodies and personnel of border services organize the work of border crossing points, but do not bear any responsibility for queuing, downtime, congestion and additional costs for users **[13]**.

The analysis of non-physical problems of trade integration between Europe and Asia also allows focusing on the existing barriers within the borders of the companies themselves, most of which operate only at the regional level. For relatively small companies, transporting goods from Europe to Asia is a problem due to language barriers, difficulties in cooperation between freight forwarders in different regions, lack of knowledge of legislation, etc.

The information issue is also one of the key factors holding back the development of trade relations between Europe and Asia. There is no information about companies, which also entails a lack of confidence in freight forwarders. Consequently, the time for finding reliable partners is increasing, therefore, both cargo owners and freight carriers suffer losses.

The total number of players in the transport and logistics market of Eurasia totals more than 25 0 thousand. Moreover, statistics show that 75% of container traffic between Europe and Asia is carried out with the involvement of only 8 companies, which include COSCO Logistics, DHL, DB Schenker, KTZ Express, Yuxinou Logistics Co., The Far East Land Bridge Ltd., Wuhan Asia – Europe Logistics Co., China Railway Express Co. **[14]**. Consequently, the overwhelming majority of small transport companies are forced to either limit their scope of activity or enter into partnerships with larger players, which affects the increase in transportation costs.

For example, in the process of analyzing the indicators of import and export of goods between countries of Europe and Asia, we obtain data that there are virtually no trade relations between many countries, due to the above problems:

	Belarus	Bosnia and Herzegovina	Macedonia	Moldova	Serbia	Switzerland
Afghanistan	2,8	0	0	0	0.1	0.1
Armenia	5.5	0.1	0	0.2	5.5	6.8
Iran	8.9	0	5.3	1.3	9.7	34.6
Kyrgyzstan	9.1	2.2	1,6	0.1	4.8	0.1
Mongolia	0	0.5	0.6	0	0	2.2
Pakistan	13,4	0	4.9	3	8.6	82.1
Tajikistan	21.9	0	0	0	7	0
Turkmenistan	8.0	0	4	9.1	0.4	45.6
Uzbekistan	44.3	1.4	0.1	10.6	16.3	9,4

Table 4. Commodity circulation between the countries of Europe and Asia (million dollars **[15]***)*

On the other hand, examples of world practice, globalization processes and concepts that imply the integration of most countries in the region allow us to hope for a correction of the situation in the foreseeable future.

Thus, both physical and non-physical problems of Eurasian trade integration are solvable.

4. Overview of the main transport projects of trade integration in the Eurasian region

To date, there are several projects aimed at strengthening transport and logistics integration.

1. "The New Silk Road" or the concept of "One Belt - One Way" (the program implies the creation of a single transport system connecting Europe, Asia and North Africa - the total cost of the project is $ 1 trillion). The start of the program is 2013.
2. TEN - T (EU program aimed at modernizing the trans-European transport system, filling in the necessary transport corridors in order to get an efficient logistics system by 2030). The start of the program is 2014.
3. EAEU Initiatives (the policy of the Eurasian Economic Union is aimed at economic integration in the region, the adoption of a single tax and transport legislation, as well as infrastructure development. Planned modernization of the Trans-Siberian Railway: intention to extend the highway to Vienna, modernization of the Baikal-Amur Railway: reconstruction and construction of new tunnels, modernization of the Northern Sea Route). The start of the program is 2014.
4. Strategy "Nurly Zhol - the way to the future" (a large-scale national development strategy for Kazakhstan, including the creation of a developed transport infrastructure in the state. This strategy covers broader areas than exclusively the transport and logistics sector, but the development of transport infrastructure and the establishment of Kazakhstan as a logistics The HUB in the east is identified as one of the key objectives of the strategy.), 2014.
5. TRACECA (transport corridor Europe-Caucasus-Asia, unites 14 states, implies the strengthening of trade integration between Europe and Asia), 1993.
6. UNESCAP (construction of a trans-Asian railway network, the creation of a network of highways across Asia, the creation of a regional network of logistics centers): the program is developed and supervised by the UN.
7. UN - OHRLLS (a program aimed at investing in the transport system of developing countries and landlocked countries), 2001.
8. UNSPECA (program aimed at supporting the integration of Central Asian countries into the world economic system), 1998.
9. OCCEA (program aimed at ensuring the safety of freight transportation and simplification of customs procedures), 2012.
10. OSJD (analysis of the condition of Eurasian railway transport corridors, assessment of their effectiveness and the preparation of a reconstruction plan), 1996.
11. BSEC (Organization of the Black Sea Economic Partnership, unites 12 states), 1999.

Other programs and concepts include ECO (Organization for Economic Cooperation), GUAM (Organization for Economic Development, which unites the countries

of the former Soviet Union), the World Bank, the Asian Development Bank, the CAREC Asian Regional Economic Cooperation program, etc.

5. Key trends in the development of the trade and logistics market (following the results of the Transport Logistics 2019 exhibition in Munich)

A logistics exhibition is held every two years in Munich, where the main industry trends, key tasks and problems are discussed.

The transport and logistics market is changing under the influence of scientific and technological progress. If at the previous exhibition the key issue was the need for digitalization about the industry, then current market trends define development in the digital space as an indispensable criterion for success within the framework of globalization.

The next Transport Logistics 2019 exhibition in Munich focuses on two areas of market development: the search for qualified personnel to increase the efficiency of cargo transportation and the introduction of artificial intelligence aimed at optimizing the industry and solving existing problems **[16]**.

A large amount of data that can be collected from machinery, equipment, drivers, shippers, other objects and participants makes it possible to obtain previously inaccessible analytics. The capabilities of artificial intelligence training allow us to formulate solutions for optimizing the supply chain, increasing the productivity of working with goods in warehouses, etc. **[17]**.

The second big trend that is associated with the training of neural networks in logistics is dynamic pricing. Thanks to artificial intelligence, it becomes possible to formulate rates for the transportation of goods “immediately” and immediately fix the agreement. AI allows you to quickly process and take into account a huge number of factors and, based on this analytics, formulate a commercial offer **[18]**.

In parallel with the plans for the introduction of artificial intelligence in the industry, the main trends also include smart contracts implemented on the basis of the technology of “distributed registry”. For example, DHL has a department that is developing a blockchain platform with the aim of luring medium and small companies there.

To date, in the transport and logistics industry, in fact, there are only theoretical developments aimed at introducing artificial intelligence, Big Data and blockchain technologies. Practical application at the moment is characterized only by an experimental nature.

6. Summary of the analysis of the Eurasian transport and logistics market

The Eurasian transport and logistics market has great potential in terms of increasing the volume and efficiency of freight transportation. About 70 % of the world's population lives in the region, despite the fact that the total GDP of Eurasia is more than 65% of global values.

Today, the transport infrastructure of the Eurasian region includes 9 trans-Eurasian rail links, 7 key trans-Eurasian highways, 43 seaports with rail or road links. According to various development concepts, it is planned to create new and reconstruct existing communications uniting European and Asian integration.

According to experts, the existing transport and logistics potential of the Eurasian region is used only by 35-45%, due to factors of a physical and non-physical nature. Physical factors include infrastructure problems in the region, and non-physical factors include:

1. legislative differences
2. customs issues
3. insufficient computerization of the industry
4. language and communication barriers
5. information failure
6. lack of mechanisms to enhance mutual trust
7. lack of technological base for competent trans-country transportation planning
8. complicated procedures for intercountry transactions and transactions

However, in terms of improving the effectiveness of trade integration, non-physical factors such as communication and information barriers become key.

According to statistics, container transport between Europe and Asia is 75% dependent on 8 major players, while the Eurasian transport and logistics industry unites over 25 0 thousand players, most of which develop only national or neighboring markets. There is no communication between medium and small companies, there is not enough information, most sites are created in one language. Consequently, the lack of necessary information leads to a lack of trust in transport companies, which entails the need to contact intermediaries - major players, and also acts as a deterrent to the development of logistics and trade companies.

Solving communication and information problems would significantly increase the volume of cargo transportation between European and Asian integrations, as well as reduce the cost of transportation due to the development of different types of transportation, since the main way today is by sea, which in most cases is longer than land transportation.

7. Analysis of the main competitors

Among the main competitors of the project are considered such sites as della.ru, ati.su, timocom.ru, grooz.go, cargo.chat.

Analysis of competitors shows that they offer similar services, so in most cases both the advantages and disadvantages of the listed sites coincide.

For example, the site della.ru offers the search for free transport in Russia or abroad. The user gets the opportunity to set the required parameters and find free transport. Also, users can add goods so that free carriers can send their proposal.

ati.su is a freight exchange where users are able to find goods or vehicles. There is an auction system for concluding a deal. The platform checks the participants, keeps their rating. In addition, the exchange offers the latest news of the freight industry, useful information, etc.

groozgo.ru also offers search for cargo owners or freight forwarders. Additionally, a function for tracking the location of the cargo is offered.

The advantages of the sites include the ability of cargo owners to find a carrier, in some cases, view its rating, agree on a deal. There is functionality in the opposite direction - freight carriers can find orders to prevent downtime or empty mileage of vehicles.

However, competitive analysis allows us to identify a significant number of shortcomings of these platforms, among which:

- focus on one specific type of freight transportation (mainly road), which excludes alternative solutions, which sometimes turn out to be more profitable;
- limited territories of coverage (emphasis is placed on transportation precisely across the territory of Russia and the CIS countries), there is no comprehensive coverage of the Eurasian region;
- sites operate in digital space, however, innovative technologies are not implemented in the platform's functionality; therefore, they do not develop and do not meet current trends in the transport and logistics market.

The existing sites to some extent operate on the principle of message boards, while the global portal, which unites a huge base of participants in the transport and logistics market, is absent.

Analysis of competitors shows that the activity of the sites under review does not contribute to the solution of physical and non-physical problems of the development of the Eurasian transport and logistics market.

8. The international logistics platform " SilkWay "

The international logistics Internet platform SilkWay defines as its goal the unification of cargo owners, forwarders and transport owners within the borders of the Eurasian region, which will significantly reduce the time and cost of transporting goods, and increase industry efficiency.

The project involves the start of a new era in the freight industry, the conclusion of transportation contracts. The implementation of this project will increase the used transport potential of the region to 65-75% (from 35-45%). In certain regions and areas, the project will significantly reduce the impact of such problems as downtime, empty mileage of vehicles and containers. The project is also aimed at solving the main problems of market development. Solving non-physical problems is the direct task of the project, while indirectly, project implementation will also contribute to solving physical problems.

In addition to the practical goal, one can also single out the global goal of developing the trade integration of the Eurasian region, strengthening trade and logistics ties, and promoting the implementation of the main Eurasian transport concepts and projects.

8.1. Platform Description

Our company is developing a B2B service, uniting all participants in the trade and logistics market of Eurasia. Participants will have the opportunity to directly contact each other, exchange information, enter into partnership agreements. Intermediation is eliminated, which helps reduce time and financial costs. Active participants in the site will also be courier, insurance and brokerage companies.

In fact, this project contributes to the creation of an entire ecosystem in the transport and logistics industry, capable of uniting the states of the Eurasian region into a single network, within the framework of which the following tasks are realized:

- development of a centralized Internet platform where market participants will be able to exchange information, look for reliable partners, enter into transactions (today there are no analogues of such a platform):

The project is aimed at eliminating communication problems between companies, removing the language barrier, simplifying and speeding up the process of searching for goods and freight forwarders within the Eurasian region.

Platform users will have the opportunity to place and find goods, as well as request optimal transportation routes, current prices and other information in real time.

- interactive map development;

An interactive map allows market participants in real time to find free vehicles to send their goods. The map also displays the location of the cargo, which allows you to monitor compliance with deadlines. The main logistics centers, ports, warehouses and other transport hubs are located on the map in order to save time for cargo owners when looking for partners and sending cargo.

- creation of a container exchange;

Within the project, it is planned to create a container exchange on the site. This option allows container owners to place empty containers displayed on an interactive map. Consequently, cargo owners and forwarders will see the location of empty containers in real time and will be able to directly contact the owners in order to conclude a transaction. D c This option will allow the owners of containers to minimize the cost of moving empty containers.

At the next stage, it is planned to introduce blockchain technology and artificial intelligence in order to improve the container exchange. The containers will be equipped with sensors, in order to facilitate tracking of their location. Insurance companies will be able to quickly conduct an assessment, and the assignment of unique identification numbers and the introduction of smart contracts will optimize the movement of containers. Innovative technologies will simplify the possibility of exchanging containers or selling them in the host country

- professional social network:

All companies will have their own personal pages where they can post information about themselves (type of activity, history, achievements). Additionally, you can post announcements, create interest groups, etc. (similar to traditional social networks).

A social network that unites all participants in the transport and logistics market solves the problems of lack of information. Cargo owners and carriers will have the opportunity to quickly browse companies by country, find out basic information, read reviews. The process of finding a reliable partner is greatly simplified in this case.

The implementation of the project involves two phases. The first phase is the direct creation of a platform, an interactive map and a professional social network, and the second phase is the introduction of innovative technologies (Blockchain, Big Data, AI). These technologies make it possible to bring the logistics market to a whole new level, several times increasing its efficiency.

8.2. Key benefits of the site

Based on the analysis of the transport and logistics market and the analysis of project competitors, we determine the following key advantages:

1. Creation of a single base for the transport and logistics market of Eurasia;
2. Today, the Eurasian transport and logistics market unites more than 250 thousand players who work separately and are not able to develop new markets. The creation of a single platform removes communication barriers and opens up new opportunities for companies to develop on a Eurasian scale.
3. Solving key tasks of the transport and logistics market;
4. Combining players into a single transport and logistics platform solves non-physical problems. Market participants receive the necessary information in real time, use the

platform for transactions, etc. Indirectly, the platform also solves physical problems, as companies are interested in investing in the development of transport and logistics infrastructure on a national and continental scale, however, the implementation of projects depends on the volume of cargo transportation and the prospects of companies. Consequently, increasing the efficiency of the market will contribute to attracting large private investment injections into the transport and logistics infrastructure of Eurasia.

5. Using the potential of the transport and logistics market;
6. The platform will increase the volume of cargo traffic and at the same time reduce the cost of cargo transportation. The introduction of new technologies at the second stage of the project will reduce from 3 to 42 hours on the delivery of each cargo.
7. Comprehensive development of transport and logistics services;
8. 75% of freight transport between Europe and Asia is by sea. The implementation of the project will allow more efficient use of land communications, which saves time for transportation (and for certain directions and costs).
9. Development of trade relations within the borders of the Eurasian region;
10. The implementation of this project will contribute to a potential increase in trade between European and Asian countries, strengthening trade integration within the region.
11. Cooperation with government agencies to further develop the project.
12. It is also planned to cooperate with the governments of such states as Kazakhstan, Russia, China, Japan, Turkey and the EU countries. Thus, it is planned to establish relations with the governments of three of the five largest Asian countries in terms of cargo transportation and with all the top European countries in terms of cargo turnover.

8.3. The main benefits for trading companies, cargo owners

Our logistics platform will help cargo owners to choose the best routes for the transportation of goods in view of the possible risks and the cost of each route, receive relevant information about the specific shipping company to enter into a contract for the transport and insurance of the goods, and then track the shipping charges on an interactive map up to your destination. All these operations are performed within the boundaries of a single ecosystem, so they do not take time.

Examples of calculating optimal routes using popular destinations as an example are presented in the following table:

Route	The cost of transporting goods by land		The cost of transporting cargo by sea		Optimal option	
	Cost	Continued	Cost	Continued	Cost	Continued
Shanghai - Warsaw	$ 8 937	446	$ 6,300	569	Nautical	Land
Tashkent - Varna	$ 5,946	165	$ 7 550	529	Land	Land
Khabarovsk - Potsdam	$ 6 967	341	$ 6 533	589	Nautical	Land
Ussuriysk - Kiev	$ 5,857	289	$ 6,290	463	Land	Land

Table 5. The cost of transporting goods to popular Eurasian destinations, sea and land transport **[19]**.

In addition, the project involves the creation of a professional social network where participants in the transport and logistics market will be able to create personal pages, accompanied by ratings and reviews. Each cargo owner will be able in a few minutes to choose a reliable company for the transportation, insurance, storage and customs clearance of cargo. Within the boundaries of this social network, it is possible to form interest groups, discuss issues of interest, and share necessary information. Transport companies can be filtered by country, region and other parameters so that the search for a carrier takes a minimum amount of time.

An interactive map allows you to track the location of the cargo in real time, and also displays free freight vehicles that are closest.

According to estimates based on international statistics, the search for long-haul tractors for transporting goods over long distances takes an average of 42-44 hours (including the arrival of trucks at their destination). The search for railway containers for transporting goods takes an average of 14-16 hours, and the selection of sea transport - 11-17 hours. Therefore, the introduction of our online platform allows cargo owners to save from 11 to 44 hours, as the system will offer optimal options that are nearby and free of current obligations.

8.4. Key benefits for freight forwarders

One of the main problems of cargo carriers, regardless of transport, is a simple transport or cruising along the empty transport route.

Experts at The Boston Consulting Group research center claim that transporting empty freight containers causes losses of $ 15 to $ 20 billion annually, with about 19 million tons of CO_2 released into the atmosphere. These figures are comparable to 90 billion miles traveled. by car **[20]**.

Truck downtime is 9.3 million hours, which translates into losses of $ 27.5-31 billion annually, and the main reason for these losses is the lack of coordination between all nodes of the trade and logistics market **[21]**.

More than 90% of trucking companies have six trucks or even fewer trucks, which affects the proportion of supply and demand. As a result, truck drivers drive about 29 billion miles empty, which also entails transport company losses **[22]**.

Our project involves a significant reduction in these losses and the maximum load of all modes of transport through direct integration between market participants.

The implementation of the project will significantly increase the volume of container traffic from China and other countries of the Asian region to Europe and vice versa. Currently, the volume of container traffic averages about 100-150 thousand containers per year. By 2030, this number is planned to be increased to 500 thousand containers per year, despite the fact that the container load will be maintained at 96-98%.

Currently, there is a significant shift in emphasis towards shipping from Asian countries to Europe, which is characterized by a longer transportation time, so the implementation of our project will allow the development of land transport as an industry as a whole, which has great potential.

A factor that contributes to the development of container traffic from China and other Asian countries to Europe is the accuracy of the railway schedule, which is 99.7%.

8.5. Key benefits of implementing blockchain technology

Logistics platform " SilkWay " means the introduction of technology "Distributed registry." This technology is able to solve problems that are the most relevant for the transportation and logistics industry:

- The development of Eurasian trade integration is hindered by the lack of trust between companies.

The introduction of blockchain technology makes it possible to confirm the origin of goods or the availability of transport licenses without involving legal regulation, complex certification processes, etc. The search for a reliable partner and the process of concluding a deal can be accelerated several times.

- Problems of tracking the status of cargo delivery remain among the key in the transport and logistics industry.

The introduction of blockchain technologies allows you to coordinate the actions of the parties as efficiently as possible and ensure timely delivery of goods, which is especially important when implementing the just - in - time strategy. A unique identifier is created for each individual cargo, which allows you to effectively track the location of the cargo even if more than two participants are involved in the transaction.

Within the framework of our project, an analysis of existing blockchain platforms has already begun, with the aim of identifying the most suitable platform in terms of transaction speed (both on an initial scale and taking into account the development prospects of the platform). Based on the analysis, it will be determined whether the project uses the existing blockchain platforms or creates its own that meets all the requirements.

8.6. Key Benefits of Using Big Data Technology

A large-scale international study conducted by T - Systems about a year ago showed that enterprises in the USA, Spain, Russia and many other countries already see a real need for analysis and practical use of Big Data and are ready to spend money on tools for such an analysis.

According to the research, this technology is most in demand in such areas as the public sector, the energy sector and the sphere of material resources, however, in connection with globalization and economic processes, the application of technology in the transport and logistics sector is relevant.

For example, according to BCG Perspectives, global trade growth averages 2% annually, but recently a number of Asian countries (in particular China and India) have been growing at 8-12% per year, which has a positive effect on the prospects for continental trade. In addition, the BCG report indicates the rapid pace of e-commerce development. For example, analyzing the market for services, e-commerce is 25% of the total. There is stagnation in the commodity market, but e-commerce has tremendous development potential. BCG experts note that in 2020, the growth of e-commerce in the market of goods and services is expected from $ 530 billion to 1 trillion, which is almost 100% **[23]**.

Big Data technology, aimed at processing and using large amounts of information, allows you to create a huge database that includes transport and forwarding companies, trading and industrial enterprises, ports, warehouses, transport hubs, as well as the operations of these players, open and hidden relationships, etc. d.

By connecting a large number of players in the logistics market, the Platform will receive a large array of data about the companies themselves, the state of their freight fleet, routes, movement of goods, about risks that affect the transportation process, about the accumulation of vehicles and containers in certain seasons, etc. The processing of this data will optimize the process of selecting counterparties, routes, risk accounting, cost formation, etc.

8.7. Key benefits of introducing artificial intelligence

Based on the available information, the Platform's AI system will be able to predict the most optimal routes for cargo transportation, predict the main flows of raw materials and products, containers, select modes of transport in order to maximize compliance with user requests. The technology will optimize logistics operations and business processes in trade.

In addition, the AI of the Platform is designed taking into account the focus on forecasting and accounting for risks affecting the processes of cargo transportation associated with a possible lack of necessary transport, storage space, congestion in seaports, weather, political, human factors, etc.

The introduction of Big Data and AI technologies in the freight process will allow the Platform to create favorable conditions for building freight supply chains, including multimodal ones, based on Just - In - Time delivery principles. This option is especially relevant for consignees with small warehouses, and most of them. This factor will enable tens of thousands of consignees to be included in the work of the Platform, for which the Platform itself will become a necessary tool to reduce costs and increase production and sales. Using AI functionality within the Platform will allow you to accurately calculate the process of cargo delivery, minimizing possible risks, including risks of delay and downtime.

The deployment and training of artificial intelligence will be carried out on the basis of data received from operators interacting with the site. For accelerated AI training, both the project's own server capacities and cloud solutions provided by large players (Amazon, Google, etc.) will be used.

To process solutions based on AI and Big Data, the Project is already creating its own TierII / TierIII class Data Center, designed for solutions with high scalability and high performance in terms of uninterrupted interaction with third-party cloud solutions within a continuous stream of processed data.

Currently, the project is forming a structure and preparing for the development of neural networks (AI), allowing to solve the following tasks

- Selection of the optimal route for transportation, including multimodal transportation, based on factors such as time, cost, probability of downtime or traffic underload, possible risks of the route, etc. factors
- Calculation of transportation risks, including weather, logistics, industrial, financial and political risks
- Selection of the optimal insurance broker, based on such factors as insurance premium, insurance coverage, deductible, period of insurance coverage, the amount of risks covered by the policy
- Calculation of the forecast load of transport hubs, distribution and warehouse cents at different time periods, based on many influencing factors

8.8. The uniqueness of the project and its prospects

The uniqueness of the project lies in the fact that there are no analogues of such a platform, while the economy is developing rapidly in the context of globalization. The presence of a trading platform B 2 B becomes an essential condition for strengthening close trade and economic ties between countries.

This project implies the complete reality of the practical implementation of technologies such as blockchain and Big Data, which will bring business processes in the field of logistics to a whole new level.

The implementation of this project will fully allow transport companies to save up to $ 50 billion (within the Eurasian continent) spent on simple transport and shipping empty containers and trucks.

In the future, the Platform may enter the logistics markets of other continents with the goal of uniting most of the global market participants into a single effective and productive system.

The project involves the development of both the desktop as well, and a mobile version of an application that provides users with maximum flexibility in the use of technology.

8.9. Project Risk Assessment

The key risks of this project are the following:

- risks of transport companies' lack of interest in integration;

As part of the preparation of the Project, a sociological study was conducted that attracted 1,500 participants in the transport and logistics market in European and Asian countries. The aim of the study was to identify the interest of market participants in the emergence of a transport and logistics platform on a Eurasian scale. Large companies (more than 100 transport units) expressed interest in creating such a project at the level of 79%, medium transport companies (20-100 transport units) expressed interest at the level of 86%, while small companies (less than 20 transport units) are interested in creating a similar project by 94%.

	Are interested	Not decided	Not interested
Major players	395 (79%)	72 (15%)	33 (6%)
Medium-sized companies	430 (86%)	47 (9.4%)	23 (4.6%)
Small companies	471 (94.2%)	24 (4.8%)	5 (1%)

Table 6. Results of a sociological study of the interest of transport and logistics companies in creating a unified Eurasian logistics platform

Moreover, according to our assessment, the total number of potential site participants exceeds 250,000 (Asia, Central Asia, CIS countries, Eastern and Western Europe). For a confident and stable development, it is enough for the Project to attract about 15% of this amount to the site. To achieve this indicator, an advertising campaign will be carried out (in

the investment-launch mode and the current mode). A sales and customer service system will also be created.

- risks of the possibility of creating a similar platform by competitors.

Competitive risks lie in the possibility of creating such a platform by competitors. To date, such a project does not exist, but we cannot guarantee that someone else is not working on a similar platform, similar in purpose or functionality.

In the analysis of competitors, we revealed the lack of development of existing platforms and the impossibility of practical implementation of innovative technologies in existing projects, while within the framework of our project, preparations are already being made for the implementation of blockchain, Big Data and artificial intelligence technologies.

- financial risks associated with the possible loss-making of the project.

There are risks of mismatching financial expectations of reality. At the same time, the Platform provides for several revenue generation models, which makes the platform's financial flows more stable:

1. Subscription fee
2. Income from promotion on the site (advertising)
3. Income in the form of commissions from transactions made on the Platform by participants
4. Proceeds from tenders and auctions at the site

The main type of income is a monthly fee. The subscription fee allows you to use almost all the functionality of the platform. Given the platform's functionality, its capabilities and potential, the amount of the monthly fee will be in the range of 40-50 dollars per month, which, on the one hand, is a low threshold for a participant to enter the platform, on the other hand, allows the platform to develop successfully.

Income from promotion (advertising) on the platform is formed on the basis of providing the platform participants with the opportunity to increase their visibility within the platform ecosystem.

These features will allow participants to:

- form more active contacts and relationships with other participants
- promote their services

Fee and commission income is generated on the basis of transactions conducted on the platform and transactions between participants. The following transactions between participants are included in the number of transactions and transactions: transactions on the purchase and sale of containers, operations on cargo insurance, etc.

The auction-tender functionality of the platform allows participants to create auctions (tenders) and participate in them. Participants will pay auction payments for organizing and participating in these platform events.

9. Project roadmap

10. Financial and economic indicators of the project

Among the financial flows of the logistics platform are indicated:

- Subscription fee (main type of income)
- Income from promotion on the site (advertising)
- Income in the form of commissions from transactions made on the site of participants / transactions of participants
- Revenues from tenders and auctions on the Platform.

Taking into account conservative calculations, the revenue component of the project is presented in the following table:

Income / Year	2020	2021	2022	2023
Subscription fee	366 626	3 259 078	8 737 798	15 691 830
Advertising services	183 313	2 036 924	6 553 349	11 768 873
Amount on operations of participants	4 582 827	48 886 171	152 911 467	313 836 600
Commission from operations	137,485	1 466 585	4 587 344	9 415 098
Commissions from tenders / auctions	91 657	1 711 016	6 116 459	15 887 978
Total revenue	779,080	8 473 603	25 994 949	52 763 778

Table 7. Project income in 2020-2023 (in US dollars)

Thus, in the first year of the project activities yield is 779 080 US dollars, while in the fourth year of the expected profit already amounts to 52 767 778 US dollars. The growth is 6700%.

We also evaluate the expenses required for the project. They are reflected in the following table:

Consumption / Year	2020	2021	2022	2023
Rent	30 500	38 160	40,068	42,071
Communal payments	3,000	3,180	3,339	3 506
Household costs	2,400	2,544	2 671	2 805
Communication, transport	18 000	19,080	20 034	21,036
Data processing	11 800	19,080	20 034	21,036
Server cluster support	9 600	12 720	13 356	14,024
Technical support	13,000	19,080	20 034	21,036
Electric power	4,400	6 360	6 678	7 012
Blockchain Commission	2,350	4 452	4 675	4 908
Blockchain network support	7 300	15,264	16 027	16,829
Marketing	424,000	581,000	581,000	581,000
Salaries	567 936	602 012	632 113	663 718
Other expenses	36,000	38 160	40,068	42 017
General expenses	1 130 286	1 361 092	1 400 097	1 441 052

Table 8. Project costs in 2020-2023. (in US dollars)

Expenses are based on projected inflation. Thus, in the first year of operation of the platform, a net loss of $ 351,206 is allowed, however, this is taking into account the compliance of the platform with conservative calculations. With more optimistic results, the loss is reduced. In the second year of operation of the platform, taking into account conservative forecasts, net profit is 7 112 511 US dollars. In the third year of operation, the net profit indicators are already equal to $ 24 594 852, and in the fourth year the profit of the project grows to the level of 51 322 726 US dollars.

The financial structure of the project is presented in the following table:

Year	0 year	1 year	2 year	3 year	4 year	Total
Income		779,080	8 473 603	25,994,949	52 763 778	88 011 411
Costs		1,130,286	1 361 092	1 400 097	1 441 052	5 332 527
Gross income		-351 206	7 112 511	24 594 853	51 322 727	82 678 885
BASIC		0	1 422 502	4 918 971	10 264 545	16 606 018
CF	-2 801 500	-351 206	5 690 009	19 675 882	41 058 181	63 271 366
CF accumulated	-2 801 500	-3 152 706	2,537,303	22 213 185	63 271 366	
DCF	-2 801 500	-331 326	5,064,087	16 520 250	32 521 925	50 973 437
DCF accumulated	-2 801 500	-3 132 826	1 931 261	18 451 511	50 973 437	

Table 9. Consolidated financial flow for 4 years of the project (US dollars)

Net present value for 4 years will be $ 50.9 million.

The internal rate of return at the planned discount rate of 6% will be 158%, which indicates an increase in the financial stability of the project in the 2nd and subsequent years.

The profitability index of 19.2 also indicates the margin of financial strength of the project.

Return on investment (ROI) for 4 years will be 2358%.

A simple and discounted payback period of 1.1 years.

In an optimistic scenario - sales growth in the first year - the project will be with zero profitability (no loss in the first year), the payback period is 1 year.

The profit for the project for 4 years will be 66 million US dollars, the difference with investments without discounting 63.3 million US dollars.

The pessimistic scenario envisages an increase in investment to $ 4 million and a payback period of 2 years.

11. Description of IEO

1 1 .1. Goals and objectives of IEO

IEO is carried out with the aim of raising funds for the creation of an ecosystem that includes a logistics platform, a professional social network, technical support and other supporting work. Available token the SWC (SilkWayCoin), at the price of 0,10 USD per 1 token

11.2. SWC Token Description

For initial placement, a SWC token is offered. The token will be issued on the ERC-20 standard and will use the Ethereum blockchain. Token SWC has the function of utility - token. The utility of the SWC token is that with the help of this token everyone can pay for the services of the logistics platform. In addition, the token can act as an investment tool.

11.3. Project Tokenomics

Within the framework of IEO, it is planned to attract investor funds in the amount of 2, 8 (SoftCap) to 4.2 (HardCap) million US dollars. To this end, 60 million tokens with a nominal value of $ 0.10 are issued. 15% of tokens are sent to the project fund, 10% of tokens are reserved for the team, 4.75% for consultants and project advisers, 0.25% is allocated to airdrop, and the rest in the amount of 42,000,000 is planned to be released to the open market, with the aim of placement among investors at face value.

The token distribution is illustrated by the following diagram:

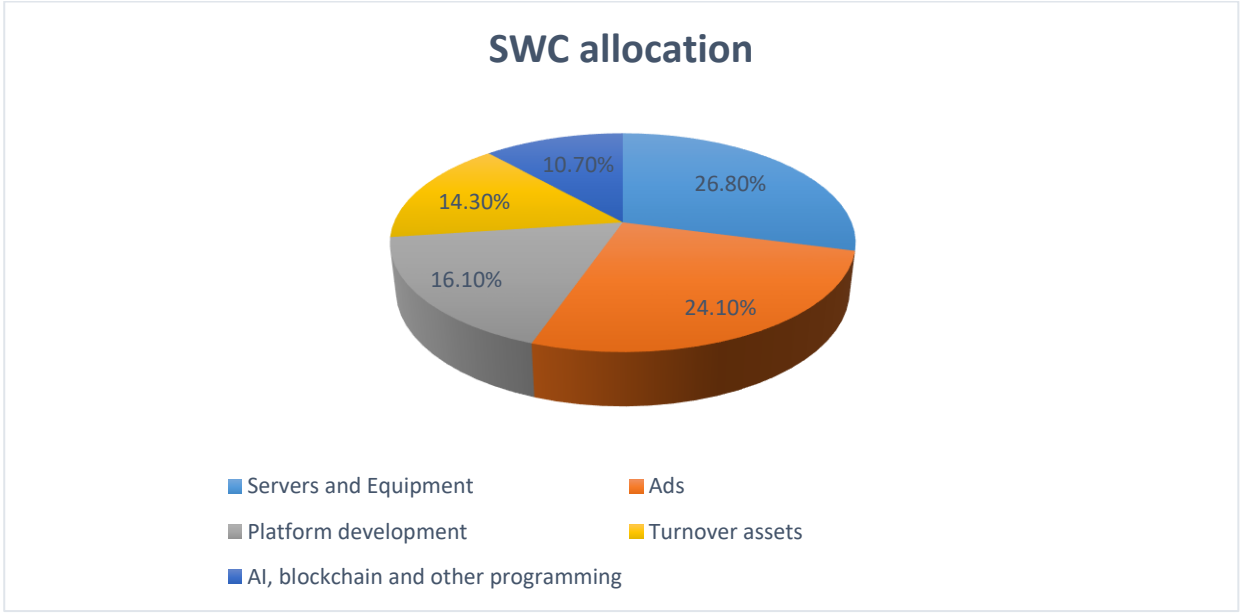

Diagram 2. SWC Token Distribution

Attracted investments will be distributed as follows:

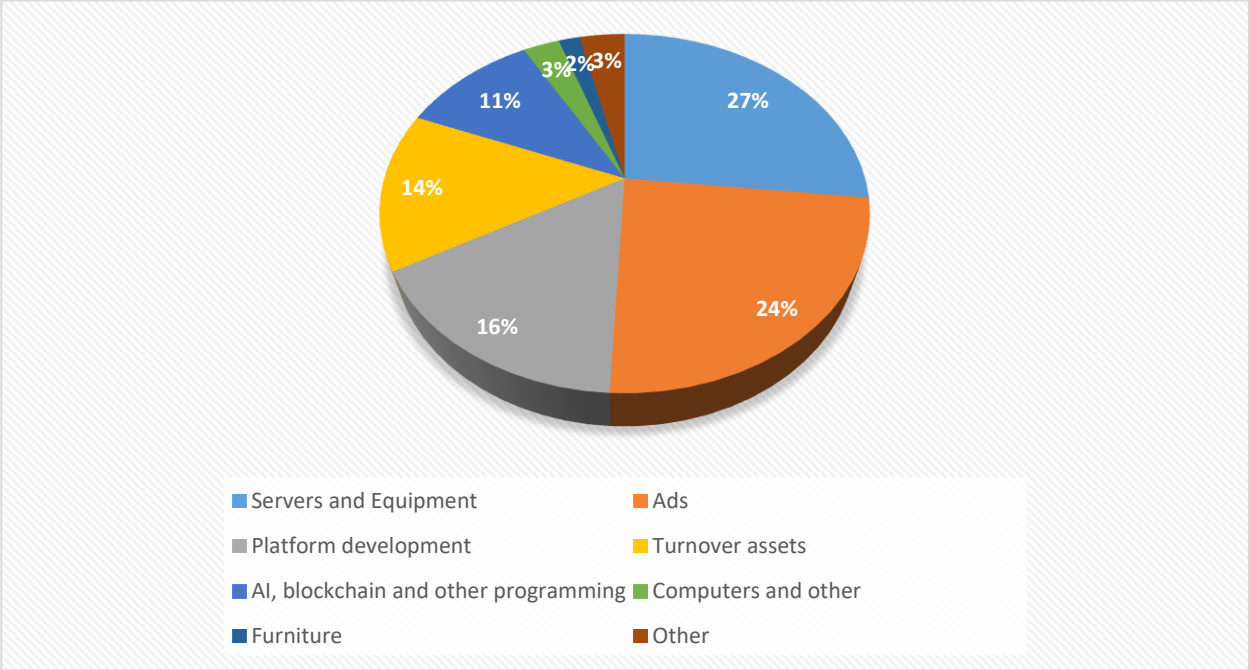

Diagram 2. Distribution of attracted investments in%

The main investments in the project are aimed at creating software using artificial intelligence, a system of mutual settlements on the blockchain structure, as well as creating a platform (site) on the Internet and a mobile application. In total, the entire IT area of the project is 27% of the investment.

Working capital will be used to cover the financial result of the first year - the payment of wages and maintaining the smooth operation of the platform.

The project equipment is office equipment, furniture for 31 people and servers.

Advertising provides for the starting promotion of the platform for the first 4 months from the launch of the project.

12. The project team

Almat Turmanov

CEO

Yerbol Ualihanuly

Co-Founder

Aset

Co-Founder

Zhusupbekov Chokan

Project manager

Tuchin Alexey

Head of Development

Karimzhan Bernur

Head of marketing department

Sergey Beer

Web developer

Mami Darkhan

Server developer

13. Project partners

14. Warnings

It is worth noting that the token 's SWC is not a security from a legal point of view, because it and do not let th t the right to receive dividends or capital gains, in spite of the fact that these tokens are classified tokenized securities. Buying SWC tokens is the final and irreversible action. SWC tokens are not shares, and do not give their holder the right to participate in general meetings of SWC or companies created within the project. Buyers of SWC tokens understand that securities laws apply to them, according to which any transactions related to their purchase require careful verification by the financial regulator.

Each buyer of SWC tokens agrees that he (she) carefully read through this document and fully accepts all the risks, costs and benefits associated with the purchase of SWC tokens.

The buyer of SWC tokens agrees with the fact that he (she) has sufficient knowledge in the field of cryptocurrencies, blockchain and related technologies, and also recognizes all the risks associated with the collective fundraising procedure and further storage of cryptocurrencies.

The project does not bear any responsibility in case of loss of SWC tokens, as well as in case of impossibility to use SWC tokens as a result of incorrect or erroneous user actions, as well as a result of hacking or hacker attacks.

1 4 .1. The risks

The purchase and storage of SWC tokens is associated with certain risks, in particular with the risk that the project team may not be able to launch the project and create the technological base described above. That is why, before buying SWC tokens, each user should carefully study all the risks, costs and benefits of using and purchasing SWC tokens, and use the services of independent consultants if necessary. Any user who is interested in acquiring SWC tokens, but who does not understand or does not accept the risks associated with such actions (including the risk of the inability to create a logistics platform or introduce innovative technologies), as well as other risks specified in this document, should refuse to purchase tokens SWC.

It should be borne in mind that the use of an ERC - 20 standard token implies a dependence on the load on the Ethereum blockchain network and the possible increase in transaction cost and time associated with it.

In addition, the project team informs the user about the following risks that the project may face.

- The risk of not collecting the amount necessary to launch the project.
- The risk of market trends: on the price token s SWC may significantly affect the market trends of digital currency, and the market value can vary due to events not associated with the token and m and.
- Risk of regulation / legislation: the logistics and transport services market and / or token market may fall under global or local regulation / legislation, which may make the project's activities impossible and / or may limit the use of tokens as a payment method, and / or limit, prevent and / or authorize the sale and resale of SWC tokens. The operation of the platform and token s SWC may affect one or more regulatory inquiries or actions, including, but not limited to restrictions on the use or possession of a digital asset, such as a token, that may prevent or limit the development of the project.
- High volatility risk: digital assets are highly volatile. This can adversely affect the value of the token.
- Taxation risk: token holders may be subject to tax laws, which will significantly reduce the company's profit.
- Risk of hacker attack and theft: It is known that token and IEO sales are exposed to malicious attacks by hackers and criminal gangs. Token theft can affect the value of tokens, reduce the company's profit **[24]**.
- The high purchase risk: there is no guarantee that the token 's the SWC, which you buy, will increase in value. Moreover, cost reduction is possible.
- The risk of uninsured losses: unlike bank accounts or accounts with some other financial institutions, funds located on the blockchain are usually not insured. In the event of theft or loss of value, no public or private insurer can offer the buyer the right to compensation.
- Risk of termination of the project: It is possible that for a number of reasons, the project may no longer be a viable business and may be liquidated (and not begin to operate at all).
- The risk of technical errors in the work of the global payment system. Failures that could affect your performance or result in data loss

14 .2. Denial of responsibility

This document is under no circumstances an investment recommendation. In addition, it is not an offer to purchase securities, regardless of jurisdiction. This document does not contain information that can be used as a recommendation or basis for making a decision on investing funds.

Tokens SWC represent tokens, combine the functions of utility and security, which can be used not only within the framework created by the ecosystem, but also be seen as an investment tool. Tokens SWC are available for purchase in order to obtain access to the logistics platform ' SilkWay ', as well as a tool for the payment of other companies' service ecosystem.

None of the participants in the project team выступает acts as a financial, legal and tax adviser under any circumstances.

Any information provided in this document is for information only, and none of the members to the A team of the project makes no warranties or representations as to the accuracy or completeness of the information provided.

The acquisition of SWC tokens does not give their holder any rights to participate in the activities of the company, its subsidiaries and affiliates, nor does it allow decisions to be made that determine the work of the company and its management.

It is worth noting that financial regulators around the world are carefully studying all operations and companies associated with the world of cryptocurrencies. That is why any innovations, changes and legal norms can influence the project activity, which can lead to a complete cessation of activity in the future. Any person wishing to purchase SWC tokens should carefully study the business model presented in this document and also monitor its changes that may occur in accordance with the requirements of the legislation, and about which the Project Team will notify the token holders through their Personal Account. Based on the foregoing, buyers of SWC tokens understand and acknowledge the fact that neither the project, nor its managers, nor its partners, will be liable for any losses resulting from such changes.

The project team will do everything possible to launch and implement the ecosystem in the scope specified in this document. However, anyone who wants to purchase SWC tokens understands and acknowledges that the project team does not give any guarantees that all of the goals will be achieved. These users understand and acknowledge that to A team project, employees and its leadership is not carried at t no liability for any losses resulting from the inability to use tokens the SWC, except in cases of improper performance of duties, and deliberate neglect of legal requirements the owners of tokens the SWC.

1 4 .3. Representations and Warranties

By participating in IEO, the buyer accepts all the provisions of this document, and also agrees with the following statements:

- ☐buyer carefully read this document and its annexes, and fully accepts and agrees to comply with all their provisions;
- ☐buyer has the right to purchase SWC tokens in accordance with the legislation of his country;
- ☐buyer lives in the country whose legislation allows you to sell SWC tokens using the IEO mechanism;
- ☐buyer has a full understanding of the legislation of his country governing the purchase and use of cryptocurrencies, while operations such as the acquisition and circulation of cryptocurrencies are not prohibited in his country **[25]**;
- buyer will not use the IEO procedure, as well as the acquired project tokens for illegal activities, including (but not limited to) money laundering, support for terrorism, human trafficking, drug trafficking;
- ☐buyer has sufficient knowledge about cryptocurrency tokens, and has sufficient experience in their use, and also understands all the subtleties of using tokens, cryptocurrencies and systems based on the blockchain;
- ☐buyer purchases tokens SWC to obtain access to the logistic platform ' SilkWay ' or as an investment vehicle.

[1] https://data.oecd.org/transport/container-transport.htm#indicator-chart
[2] https://databank.worldbank.org/data/download/GDP.pdf
[3] https://eee-region.ru/article/4602/
[4] World Bank Annual Report 2018
[5] https://data.oecd.org/transport/freight-transport.htm
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[18] Ibid.
[19] https://www.unece.org / fileadmin / DAM / trans / main / eatl / docs / EATL _ Report _ Pha se _ II - Ru. pdf
[20] https://keeptruckin.com / blog / cost - idle - time /
[21] Ibid.
[22] https://www.winnesota.com/blockchain
[23] https://www.bcg.com/publications/2017/globalization-growth-adapting-new-trade-order.aspx
[24] There are hackers or other groups of people who may try to intervene in the group's activities (interruption of activity, data spoofing attacks, surfing attacks, malicious attacks, etc.) There is always a risk of a security vulnerability in the project, the underlying infrastructure software. There is a risk that the project team or other third parties may intentionally or unintentionally violate the security of the network and software. This can cause crashes and harm the circulation of tokens.
[25] If the legislation establishes certain conditions for the implementation of such operations, the buyer must ensure that these conditions are met.