



## **Samsung signs MOU with Russian Railways for Silk Road Project**

*Trans-Siberian Railway (TSR) Project to reduce lead time and enable efficient inventory control and speedy adjustment to product changes*

**Seoul, Korea – Oct. 18, 2016** – Samsung Electronics Co., Ltd. today announced that it has signed an MOU with Russian Railways for collaboration on the Trans-Siberian Railway (TSR) Project in Moscow.

Samsung and Russian Railways agreed to switch from marine transportation to TSR when transporting materials and end products from Korea or China to Eastern Europe.

Using TSR will allow Samsung to utilize the routes to production and sales sites in Russia and Europe, enabling a reduction in lead time and logistical costs.

Since January 2016, Samsung has been delivering the components and materials from China to the Kaluga factory in Russia, where TVs and washing machines are manufactured, through TSR and Trans-Manchuria Railway (TMR). This route shortened the lead time from 50 days to 18 days and saved logistical costs.

Additional routes included in the MOU are routes to European countries and Russia. Once the container ships arrive in Vladivostok from Korea and China, the containers will be transferred via TSR to Slovakia, Hungary, and Poland. This will drastically reduce the lead time from 35 days to 18 days.

Shortened lead times will bring Samsung more benefits, including stable inventory control and immediate and efficient adjustment when product models change.

This case exemplifies practical business collaboration which incorporates the concepts of Russian 'New Eastern Policy', Chinese 'One Belt One Road', and Korean 'Eurasian Initiative' and utilizes Eurasian Networks.

Through close collaboration with Russian Railways, Samsung will endeavor to build up a more efficient and economical logistics network and diversify transportation routes to mitigate unexpected global risks.

### **About Samsung Electronics Co., Ltd.**

Samsung Electronics Co., Ltd. inspires the world and shapes the future with transformative ideas and technologies. The company is redefining the worlds of TVs, smartphones, wearable devices, tablets, cameras, digital appliances, printers, medical equipment, network systems, and semiconductor and LED solutions. For the latest news, please visit the Samsung Newsroom at [news.samsung.com](http://news.samsung.com).