

Update on CFCFA Projects and Activities

Third CFCFA Annual Meeting

Bangkok

Capt. Lin Zhong
Chairman of CFCFA

Review on CFCFA Hohhot Meeting

Review

- Discussion on new member admission
- Adoption of Best Practice –FIATA Standards
- Involvement in IRU E-map program
- Financing plan
- Training and CFCFA website development
- How to bring a “Virtual” CFCFA into reality

Review on CFCFA Hohhot Meeting

1. New member admission

- XJLA
- PIFFA
- THADA
- KAZLOGISTICS

Review on CFCFA Hohhot Meeting

2. Adoption of best practices-FIATA standards

- Accession to FIATA and obtain copyrighted documents
- Establishment of FBL and FCR liability insurance mechanism
- Print, distribute and register FIATA documents
- CIFA experience and Central Asia E-document standardization

Review on CFCFA Hohhot Meeting

3. Involvement in IRU E-map program

- Focal point with IRU
- Full-fledged project proposal
- How can CFCFA involve?
- What resources will be used in cooperation with IRU?

Review on CFCFA Hohhot Meeting

4. Financing Plan

- Membership fee
- Admission of corporate members with investment intention
- ADB support in project launching
- Support from other international organizations and institutions
- Cooperation with companies on specific projects
- Mitigate impact of rotation mechanism on financing
- Give full play the role of secretariat

Review on CFCFA Hohhot Meeting

5. Training and CFCFA website development

- Mongolian Chamber of Commerce will arrange corporate training in Beijing.
- Add new functions and items recommended by CFCFA members to the website.

Review on CFCFA Hohhot Meeting

6. How to bring a “virtual” CFCFA into Reality

- Official registration; open a bank account
- CFCFA steps on right track after a run-in period
- CFCFA gains more recognition with wider influence
- Becomes a role model of private sector participating in trade and logistic facilitation in international context

Brief on CAREC Ministerial Conference in Wuhan

1. The 11th CAREC Ministerial Conference was held on Oct 30, 2012 in Wuhan, China. Joint Statement of Ministers: CFCFA officially registers as a non-profit commercial association, which enhances its role in promoting corridor development as a leader of private sector
2. CAREC 2020: Wuhan Action Plan
3. CFCFA Priorities in Wuhan Action Plan
4. CAREC attaches great importance to the involvement of private sector in trade and logistic facilitation

Brief on CAREC Ministerial Conference in Wuhan

Annex 2: Trade Facilitation Sector Priority Projects under CAREC (summary)

Country	Project Name	Cost (\$ million)	Planned Approval Year for Funding
REG	Regional Improvement of Border Services 1: Border Crossing Point Improvement and Single Window Development	61.185	2012
REG	Trade and Industrial Logistics Centers with Info Exchange Systems	300	
<i>Technical Assistance</i>			
REG	CAREC: Working with Private Sector in Trade Facilitation (Phase 2; to focus on CFCFA strengthening and transport corridor performance monitoring)	2	2012
REG	Regional Interoperability of National Single Windows	1	2014
REG	CAREC: Promoting PPP in Supply Chain and Multimodal Transport	2	2014

Attended ADB and UNESCAP Meetings

- June 6-7, 2012 CAREC SOM in Huhhot
- July 2-3, 2012 ADB CAREC CBTA Roundtable in Beijing
- Oct 23-24, 2012 Northeast Asia TTF Forum jointly held by UNESCAP, SRO-ENEA, GTI and KITA in Seoul
- Oct 30, 2012 Asian-Pacific Trade Facilitation Forum jointly held by UNESCAP, ADB and Ceylon Chamber of Commerce

Attended ADB and UNESCAP Meetings

CPMM report shows the challenges in Central Asia trade facilitation, such as shifting of administrative cost on companies; outdated transport modals; insufficient investment on software; lack of bilateral and multilateral transportation agreements; operational problems; interests coordination; private sector participation and so on.

Attend ADB and UNESCAP Meetings

CPMM report indicates that private sector should

- Participate in developing coordination mechanism
- Participate in paperless trade and single window
- Participate in AEO or custom classification system development
- Develop regional standard trading conditions, international multimodal document, liability insurance and credit insurance systems.
- Encourage and support new business expansion of private sector, such as escrowing pledged property business
- Encourage and support private sector to conduct transport financing and leasing, and use new technologies such as GPS and RFID.

Participate in ADB and UNESCAP meetings

So far, there's only limited involvement of private sector in trade facilitation dominated by custom authorities, as well as bilateral and multilateral transport agreements dominated by transport authorities.

How to get private sector better involved?

Public sector should learn more about private sector.

Private sector should adopt more supporting measures, such as using insurance mechanism to replace guarantee of public sector (TIR, multimodal liability insurance, insured railway transportation or express delivery); AEO or custom classification system.

Land bridge International Transport Forum Nov 12, 2012 in Chongqing

Q1, Q2 and Q3 of 2012

- Xinjiang Alataw Pass goods import and export totaled 15.2795 million tons, drop by 3%, but export increased by 14.9%.
- Alataw Pass trading value totaled USD11.254 billion, among which railway 7.869 million tons with a total value of USD4.295 billion, road 123,700 tons with a total value of USD1.068 billion.
- Lianyungang land bridge container traffic volume totaled 62998 TEU, drop by 29.7%.
- Due to traffic increase and inadequate reloading capacity of Kazakhstan in Alataw port, containers were overstocked and large numbers of vehicles occupied, adding transport cost to the customers and imposed some negative impact on Asia land bridge transport.

Land bridge International Transport Forum Nov 12, 2012 in Chongqing

Problems and solutions

- Document. Inadequate reloading capacity of Kazakhstan is one of the major challenges, while document is another one. Better training.
- No pragmatic coordination mechanism in transit trade. Active participation of private sector.
- Access of land bridge transport. All stakeholders should jointly establish a market access mechanism specifying quality, capability and liability insurance of companies.
- Potential. Sinotrans plan to provide 1000 vehicles, of which 500 in Uzbekistan. Now Kazakhstan will decrease tariff by 21% for goods in transit with self-provided cars. We hope to see more incentives from Kazakhstan to encourage the usage of self-provided vehicles.
- Price of transit and export goods in land bridge transportation.
- Information platform of Asia-Europe land bridge international transit container transport.

Land bridge International Transport Forum Nov 12, 2012 in Chongqing

Chongqing-Xinjiang-Europe land bridge railway transportation

- Co-funded by “4 countries and 5 parties” on April 12, 2012
- Recognized by authorities along the railway with harmonized documents.
- By Nov 10, “Chongqing-Xinjiang-Europe” has operated 37 trains with 1663 40-foot containers. Now the frequency of operation is 1 train per week at minimum and 3 trains at maximum.

Challenges

- 4.5 more expensive than maritime transport.
- Difficulties in winter
- Monopoly

Land bridge International Transport Forum Nov 12,2012 in Chongqing

- CFCFA attended the forum and delivered a speech
- CFCFA should learn from land bridge alliance in promoting cohesion among companies
- CFCFA actively enhances exchange and cooperation with some influential local organizations

Thank you

Capt. Lin Zhong

Chairman, CAREC Federation
of Carrier and Forwarder Associations (CFCFA)

captlin@126.com

010-58603780

