

**CAREC Workshop on Transport and Trade
Facilitation Corridor Performance Assessment
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PMM Work Progress Review

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CAREC Workshop on Transport and Trade Facilitation Corridor PMM CIFA PMM Work Review

PMM Progress

As requested by ADB and with ADB's support, CIFA has started to coordinate and organize the CPMM.

PMM Task

- ✦ To coordinate government agencies

Ministry of Commerce, Foreign Trade and Economics Bureau of XUAR, Commerce Bureau of Xinjiang Production and Construction Corps of CPLA, Bureau of Commerce of IMAR, Commerce Committee of Tianjin City

- ✦ To coordinate industries, including SinoTrans in Lianyungang, Alashankou, Erenhot, Jiulin Co. Ltd., ViewTrans Group, Beijing Jintieluqiao Co. Ltd., COSCO Logistics, etc.
- ✦ 30 survey forms have been collected so far (TCD template)

CAREC Workshop on Transport and Trade Facilitation Corridor PMM CIFA International Railway Transshipment Analysis

Analysis of 10 International Railway Multimodal Survey Forms

- ◆ Data of the 10 survey forms were input into excel for comparison
- ◆ Route: Tianjin → Fengtai → Datong → Jiayuguan → Tulufan → Alashankou → Dostyk → 捷连乌贾克??
- ◆ Transportation mode: International Railway Transshipment
- ◆ Time: July 15, 2007 to January 22, 2008

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International Railway Transshipment Analysis

编号 No	货物 KIND OF CARGO	Weight/quantity 重量/箱数 KG/SET/TEU	Overall distance (KM) 总里程公里	Overall costs (USD) 总成本 (美国)	Overall Duration 总耗时 (天)	Average freight 平均运费 (usd)	Average speed 平均速度		St. Alshankou 阿拉山口 换装时间 hrs	Duration 运行日期
							China 中国 km	Kz 哈萨克斯坦 km		
1	杂项制品	42000 千克	5920	13530.42	25	322.15/ton	10.65	9.26	16	2008.10.01 2008.11.25
3	工程施工辅助材料	4968 套 set	5920	13168.20	21		18.15	11.24	14	2008.10.17 2008.11.06
4	工程施工辅助材料	2484 套	5920	7678.87	20		13.61	10.99	10	2008.11.5 2008.11.24
2	工程施工辅助材料	4968 套 set	5920	12968	17		18.15	11.24	14	2008.11.13 2008.11.29
10	工程施工辅助材料	9936 套	5920	28510.39	18		11.6	13.7	18	2009.01.05 2009.01.22
5	工程施工设备	1 台	5920	7442.85	26		12.56	11.24	22	2008.11.13 2008.11.29
9	空气压缩机	2 台	5920	6590.51	21		13.56	10.15	18	2008.12.20 2009.01.09
6	20 英尺集装箱	16 个	5920	37160.76	27	2322.5/teu	13.61	5.88	20	2008.08.09 2008.09.04
7	20 英尺集装箱	8 个	5920	18342.24	22	2292.78/teu	12.56	10.2	22	2008.07.22 2008.08.12
8	20 英尺集装箱	8 个	5920	18268.35	21	2283.5/teu	11.6	13.7	20	2008.07.15 2008.08.04

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- ◆ Utilize harmonized railway waybill – made of a manifest stamped at the departure station with the weight of wagons and number of wagons, and an invoice to prove the payment of freight – which will be used through the whole route. The freight paid does not include payment or fees irrelevant to cargos transported incurred along the route.
- ◆ Transshipping time at Alashankou: bulk goods – 16 hours, containers – 20-22 hours, engineering equipment – 18-22 hours, construction materials – 14-18 hours. There is an 8 hour variation in the transshipment time at Alashankou, indicating potentials for time saving.

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After the cargos arrive at Alashankou (PRC crossing point), they will be transshipped. Documents needed for transshipment include cargo bills, payment code and declaration documents. The cargo bill is confirmed by cargo owner and freight forwarder and sent to port agent. The quantity on the cargo bill must be the same with that on the declaration form. Payment code is provided by foreign freight forwarder, to enable transportation in foreign territories.

Cause for delay include::

- Inconformity or difference between cargo bill and declaration form, and unable to provide convincing explanations
- Codes or number of the carrying wagons are different from the actual codes or number, or different from those on the declaration form
- Detention charges are calculated in USD

I have been suggesting that, in order to promote trade and logistic facilitation in CAREC, ADB should lead the harmonization of transport documentation and provide trainings on the utilization of transportation documents.

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- ◆ Container is approx. USD2,300/TEU, total transportation cost for 40 tons of bulk goods is USD13,530.42, with USD 322.15 per ton on average. If these goods are transported in three TEUs, total cost will be USD 6,900. One container can be saved if using LCL, leading to a possible lower cost. Therefore, transportation cost is much cheaper using containers than that of bulk goods.
- ◆ Transportation speed within China: Container 11.6-13.6 km, construction materials 112.6-18.15, equipment 12.56-13.56, bulk goods 10.65. If calculated at 40km/h as the average speed of train, it takes 118—262.8, indicating a potential 5-11 days for time saving. Kazakhstan is relatively lower, with bigger saving potentials, which is 96-290 hours or 4-12 days. Because each country's train runs at different speeds, it is necessary to segment different operation sections for statistics studies. Hence, it is suggested to conduct additional railway transportation statistic surveys.

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China Railway will consolidate the cargo and check. When it is all checked, the railway controller will move all the consolidated wagons to a formation station to form a big train formations (usually with 60 wagons). The location of the formation station is predetermined, e.g. the formation station of Beijing Railway Bureau is Fengtai. When the transportation begins, the train might stop at any station on its route for hours or days, which provides a big potential for time saving.

Cargo arrival delay

✓ Railway controller will check the fixation of cargos on the wagons at each station, to make avoid accidents on the route. If the fixation materials loosened, the wagon would be withheld by the station and the departure station would be informed, until staff of departure station comes and consolidate the cargo up to the standard.

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- ✓ If the delay was caused by negligence of departure station (e.g. forgot to close the excavator door on the flat wagon), the station that discovers the problem will handle the issue normally in two manners: either to notify the departure station, or to send telegraph to the railway bureau of the departure station while withholding the train. These two situation are major causes of railway delays in China.
- ◆ The transportation time for same cargo along the same route in different months may vary by 3 to 6 days. Long-term statistic surveys are needed for similar cargos along the same route in different months for the variations (in time and cost), so as to identify the rules and causes.

CAREC Workshop on Transport and Trade Facilitation Corridor PMM CIFA International Multimodal Analysis

Analysis of 10 International Multimodal survey reports

- ◆ Data collected from the survey was input into excel for comparison
- ◆ Route: trains departure from stations along Shanghai, Wuxi, Changzhou, Ningbo, Wenzhou to St. Dostyk, St. Almaty or St. Chukursai via Alashankou
- ◆ Transportation Mode: International multimodal
- ◆ Time: December 5, 2008 to January 19, 2009
- ◆ Truck loading time: 3-5 hours。
- ◆ Road transport tariffs vary with different distance. The shorter the distance, the higher the tariff, varying from USD 0.43 to USD 12.

编号 No	货物 KIND OF CARGO	重量 /箱 数 KG/S ET/T EU	Overall l distan ce 总里程 公里 km	costs 总成 本 (<u>usd</u>)	Time 总耗 时 (day)	Road Distance/time/ freight 公路 里程/时间/运费 (km/hrs/ <u>usd</u>)	Road 公路		Rail 铁路		St. <u>alashankou</u> 阿拉山口		Rail Freight 运费美元 <u>cn-kz/kz-uz</u>	A.S 平均 速度 (<u>cn- kz</u>)	A.S 平均 速度 (<u>kz- uz</u>)	Duration 日期
							S (hrs)	c (hrs)	B (hrs)	C (hrs)	T (hrs)	W (hrs)				
1	设备 equipment	1 TEU	6044	4780	24.77	1080km/23hrs/ 560usd/0.52	4	24	1	1	4	28	0.838usd/km 0.74usd/km	11.24	3.33	2008-12-26 2009-01-19
2	织品 fabric	1 TEU	3788	3260	15.15	600km/16hrs/ 260usd/0.43	4	24	1	1	3.5	30	0.838usd/km	11.4	3.33	2008-12-27 2009-01-11
3	浴室 bathroom	1 TEU	3591	3200	14.28	460km/9.5hrs/ 220usd/0.48	3	24	0.7	1	3	30	0.838usd/km	11.77		2008-12-24 2009-01-07
4	纸 paper	1 TEU	4257	3930	18.02	260km/6.5hrs/ 130usd/0.5	3	26	1	1	3	30	0.838usd/km 1.21usd/km	10.78	12.6	2008-12-08 2009-01-02
5	设备 equipment	1 TEU	5397	4580	18.9	700km/17.5hrs/ 360usd/0.51	4	26	1	1	4	30	0.838usd/km 1.21usd/km	11.26	12.4	2008-12-17 2009-01-04
6	Clothes 服装	1 TEU	4077	3900	17.52	80km/2.3hrs/ 105usd/1.31	2	30	1	1	3	28	0.838usd/km 1.21usd/km	11.21	12.8	2008-12-18 2009-01-04
7	Electric mete 电表	1 TEU	5196	4425	21.38	60km/2.5hrs/ 160usd/2.67	3	30	1	1	3	30	0.838usd/km 0.74usd/km	11.3	12.4	2008-12-18 2009-01-10
8	设备 equipment	1 TEU	5116	4265	20.81	180km/4.5hrs/ 160usd/0.89	2	28	1	1	3	24	0.832usd/km 0.74usd/km	11	12.1	2008-12-05 2008-12-27
9	电信 telecomm unication	1 TEU	4956	4175	20.67	10km/1.2hrs/ 120usd/1.2	2	24	1	1	4	28	0.838usd/km 0.74usd/km	11.2	17.8	2008-12-06 2008-12-27
1 0	化工 <u>difenoco azole tech</u>	1 TEU	3989	3875	16.9	20km/1.2hrs/ 120usd/6	2	24	1	1	3	30	0.832usd/km 1.21usd/km	11.5	11.9	2008-12-08 2008-12-25

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- ◆ Station Inspection time for road vehicles: 2-4 hours, customs inspection time 24-30 hours, with big variance. ◦
- ◆ Border inspection time at Alashankou is 1 hour and customs inspection time at Alanshanhou is 1 hour, with little variance.
- ◆ Transshipment time at Alashankou is 3-4 hours. Waiting time for Kazakhstan wagons is 24-30hours.
- ◆ Railway transportation tariff is relatively stable in China, at USD 0.83/km, the tariff from Kazakhstan to Uzbekistan varies from UDS 0.74/km to USD1.21/km.
- ◆ Road transportation cost can count up to 10% of the total cargo cost.

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Challenges in PMM

- ✦ Involving confidential business information, and companies are reluctant to participate
- ✦ Carriers at different sections of international transportation are from different countries and different companies. Better cooperation and coordination are needed to accomplish holistic PMM surveys.
- ✦ The areas that PMM surveys are conducted scatter around. With no centralized and holistic data collection, effective statistic analysis and studies cannot be performed, nor can consolidated study report be drafted and published.

CAREC Workshop on Transport and Trade Facilitation Corridor PMM CIFA PMM Suggestions

Suggestions

- ★ **Well-organized, well-targeted and well-aimed data collection and analysis with a phased approach.**

National freight forwarders shall make a full play in the organization and coordination of such studies. A leading agency shall be selected for each country, to take full responsibility in organizing and coordinating with local government, other associations and companies, to ensure their full participation. This leading agency shall also report to and be responsible for ADB, in terms of planning and selecting the areas, routes, transportation routes and modes, crossing port, type of goods, participating companies, compensations and budgets, investigations and trainings for the study. Companies shall benefit from the PMM cooperation and be willing to participate.

Certain companies of each country are selected to take part in PMM, which might lead to a CAREC international logistic operation group (to be each other's freight forwarders or logistic sub-contractor for international multimodal or international logistics).

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ADB has already had an excellent international logistic team (made up for international freight forwarders). With the establishment of a common website, development of mutual recognition of qualification among international companies and the harmonization of transport documentations, CAREC trade and logistic can be further facilitated, and the trade and logistic facilitation strategy will be realized.

- ★ A single, well-organized coordination entity needs to be established, so as to collect and analyze data holistically, and to draft a consolidated report for the public.**
- ★ Railway and international multimodal are two major transportation modes in CAREC. Hence, they shall become the main focus of PMM.**

Thank You!

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