

2014 CFCFA Annual Meeting & Business Forum



LAND PORT

**To Develop terminals into International Land Ports,
& Establish Land Bridge Operation Mechanism**

Situation, Problems, Solutions

Xi'an International University

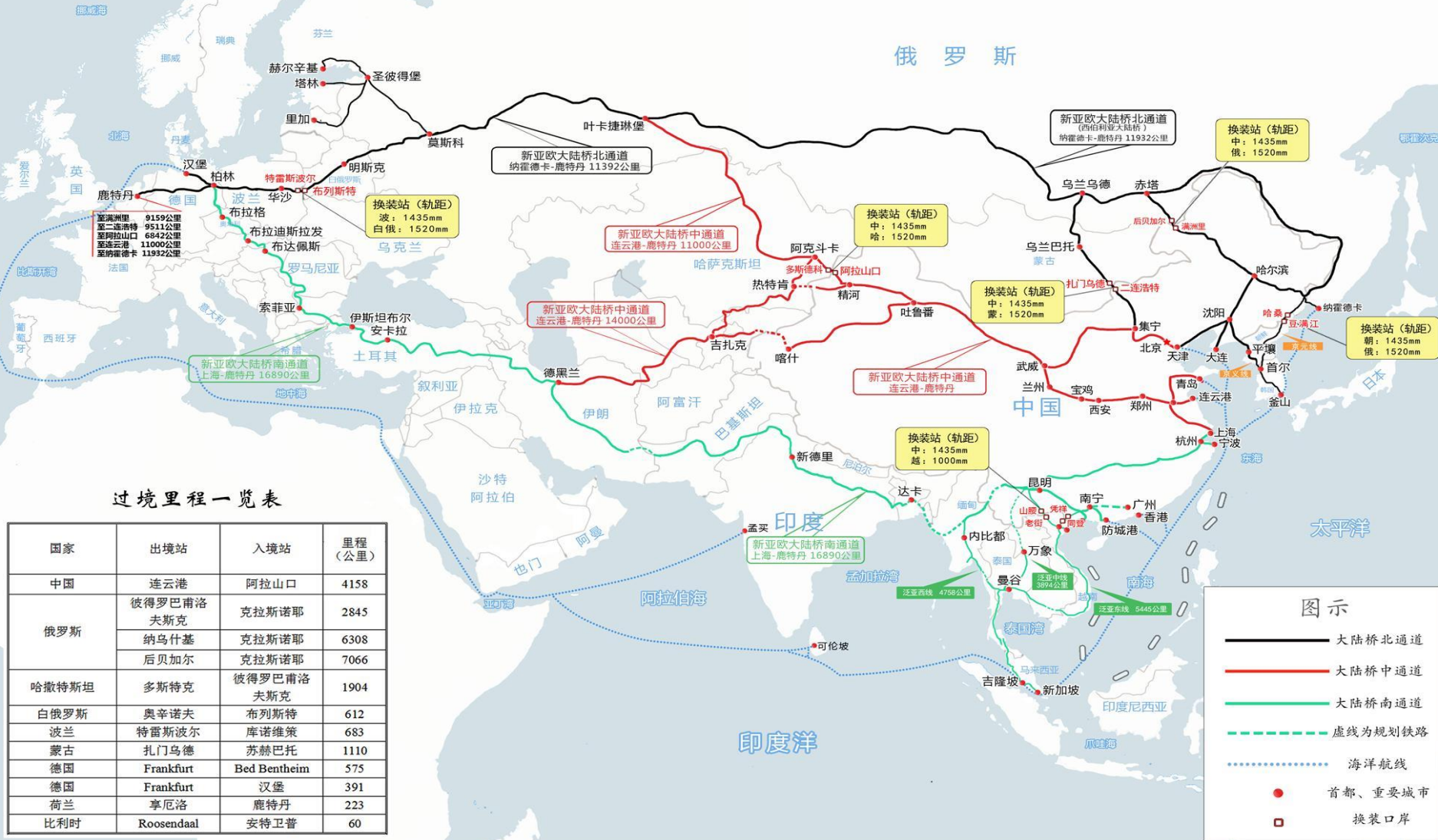
Development and Research Center of Land Port Economics & Logistics

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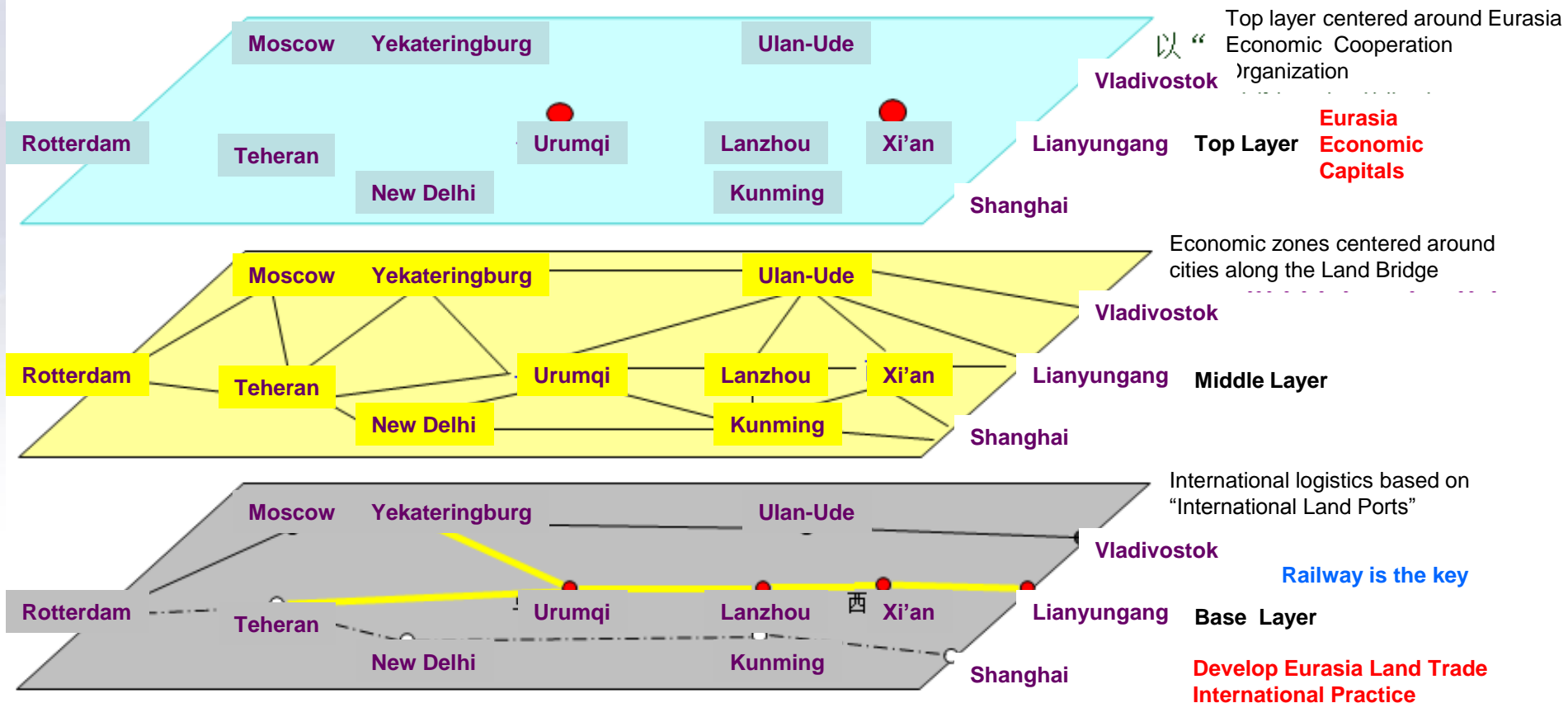
I. Three Corridors(North, Central, South) of the Eurasian Continental Bridge

Euro-Asia Railway Corridors



The central corridor of New Eurasian Land Bridge is the major passage connecting the economy and trade of eastern Asia, central Asia, western Asia and Europe. However, this passage is partially obstructed.

Various Layers of Silk Road Economic Zone

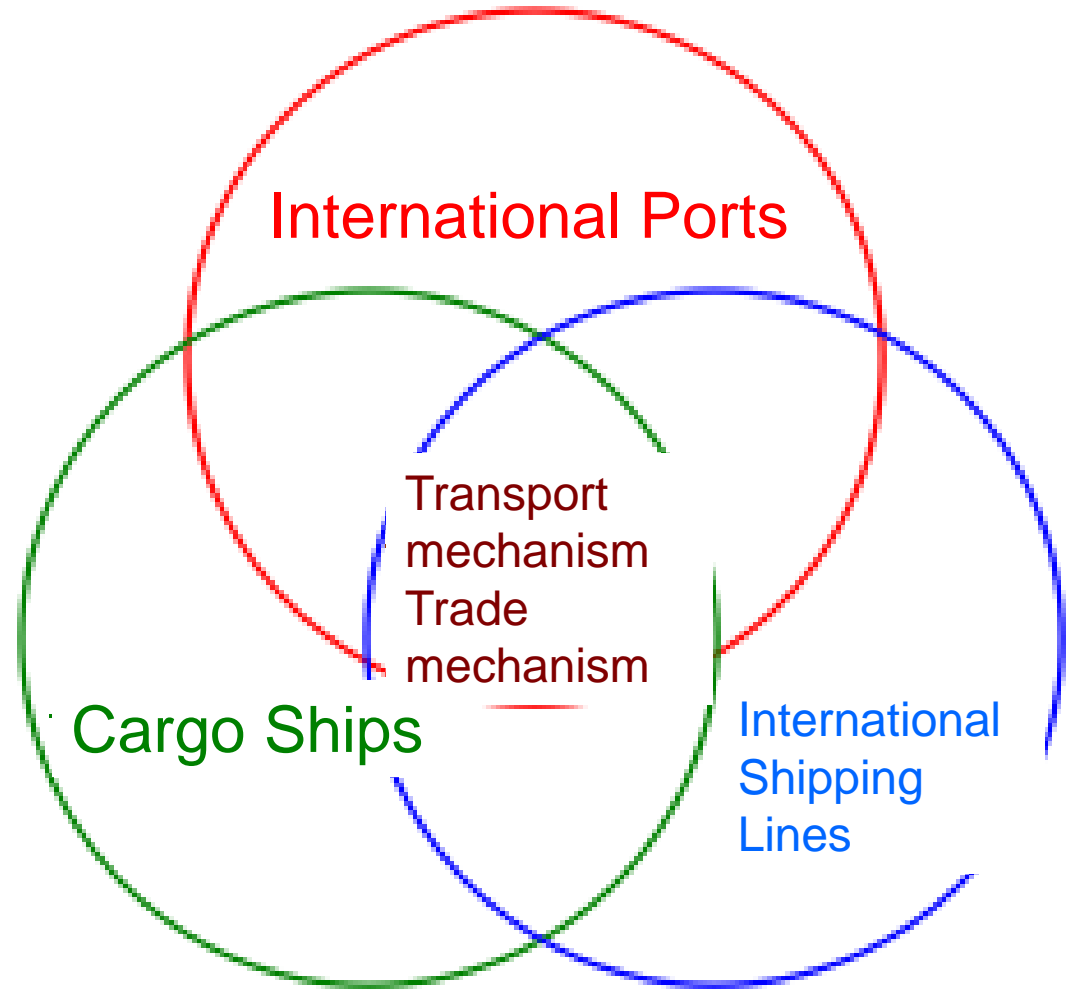


II. Identify Problems

- Since the Eurasian Land Bridge is an international transport line, we can identify problems by comparing it with international ocean shipping routes;
- International land transport, since the early stage of its development, has become a “point-to-point bilateral transport mechanism between two border ports of two countries”;
- International ocean and air transport adopt “multilateral transport network that covers the ports of all countries in the world”, which is more reasonable, and can better facilitate the development of international trade. This is the orientation that international land transport mechanism should work towards.

International ocean transport line mainly consists of 3 major hardware and 1 comprehensive software:

3 major hardware: international ports, cargo ships and international shipping lines; the comprehensive software: transport mechanism and trade mechanism that coordinate to enable efficient operation of the hardware.



International Maritime Shipping Lines

vs.

International Land Bridge Transportation Routes

Four Pillars	Maritime Shipping	Land Bridge	Land Bridge Issues	Land Bridge Development
Routs	Int'l shipping lines	Railway, road	Average	Improve routs
Vehicles	Ocean liners	Trains, trucks	OK	Maintain status quo
Nodes	Int'l ports	Domestic railway stations, logistic parks	Not OK	Stations upgrade to land ports
Mechanisms	Well developed int'l trade & transport mechanisms	Hardly any	Not OK	T develop int'l trade & transport mechanisms

Observations:

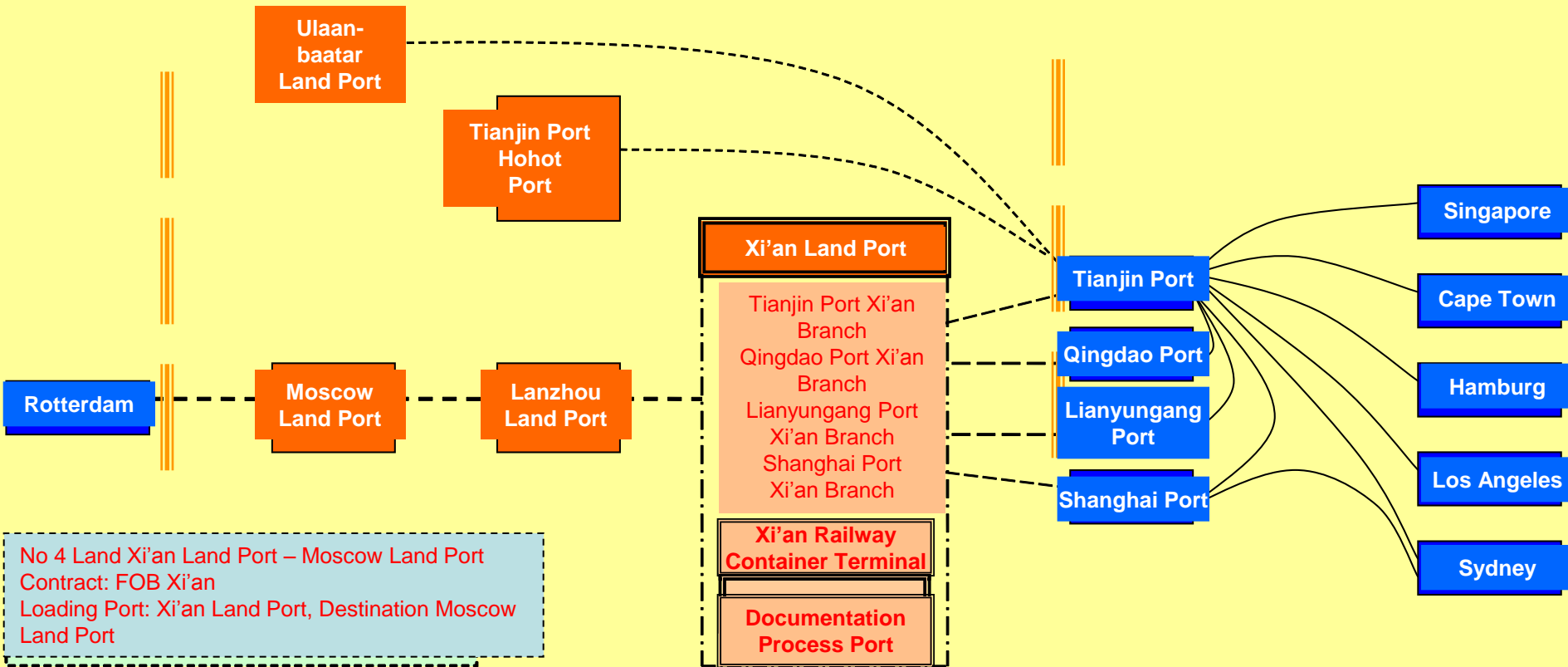
- 1.Lack of int'l transportation nodes – int'l ports
- 2.Lack of int'l transport mechanisms – to develop comprehensive int'l trade & transport mechanisms

Inconsistent and backward mechanism of railway transport in Eurasia

Firstly, currently the railway transport in 33 countries in western Europe, north Africa and partial Asia adopts the Nepal Convention, whereas the former Soviet Union, China, Korea, Mongolia and other countries uses Agreement Concerning International Carriage of Goods by Rail. Two different mechanisms apply to the Eurasia;

Secondly, the land bridge transport mechanism remains backward, whereas international ocean transport and trade mechanism keeps evolving. Take International Rules for the Interpretation of Trade Terms for example. This Rules is amended every 10 years to adapt to new situations. But the international land bridge transport mechanism has never been revised, and become an impediment in the development of land bridge transport.

The Operating Model of International Land Ports



Maritime

New Eurasia Landbridge Economic Zone (Int'l land transport network)

Int'l Maritime Shipping Network

III. Solution: Give whatever is needed

Since the Land Bridge lacks international ports, we will upgrade domestic terminals along the Bridge into international land ports;

Since the Land Bridge lacks international transport mechanism, we will organize experts and scholars to revise and amend the international transport mechanism and international trade mechanism.

Upgrade domestic terminals along the Bridge into international land ports, starting from China Railway

- Firstly, China is a major economy in the Eurasia, and China Railway Corporation has the most railway resources including railway lines, rolling stock and railway stations. The upgrade of domestic bus stations into international land ports can only be realized with the coordination of CRC.
- Secondly, organize research efforts for the implementation plan. The Development and Research Center of Land Port Economics and Logistics of Xi'an International University will assist CRC in identifying problems with the Land Bridge transport and jointly explore the implementation plan for the upgrade in light of the ocean transport mechanism.



In 2009, the author made some expansion and supplement to International Rules for the Interpretation of Trade Terms 2000 and came up with International Rules for the Interpretation of Trade Terms (for land ports).

Suggestions on Incoterm Amendments for Land Port

Type	Abbr.	Incoterm 2000	Proposed amendments for Land Port		
			Chinese	Delivery Location	Risk Division
Deliver on Board at Loading Port	FOB	Free On Board 船上交货 (.....指定装运港)	船上交货	Deliver on board at loading port	Over the ship side close to the port
	CFR	Cost and Freight 成本加运费 (.....指定目的港)	成本加运费 船上交货		
	CIF	Cost, Insurance and Freight 成本、保险加运费付至 (.....指定目的港)	成本加运保费 船上交货		
Deliver at Port	FAS	Free Along Side 船边交货 (.....指定装运港)	船边交货	Deliver at loading port	Over the gate of loading port
	DEQ	Delivered EX Quay 目的港码头交货 (.....指定目的港)	目的港 码头交货	Deliver at destination port	Over the bank of unloading port at destination
Deliver to Carrier	FCA	Free Carrier 交至承运人 (.....指定地点)	货交承运人	Deliver at seller's or carrier's warehouse or yard in exp. country	Over the signing by carrier
	CPT	Carriage Paid to 运费付至 (.....指定目的地)	货交承运人 成本加运费		
	CIP	Carriage and Insurance Paid to 运费、保险费付至 (.....指定目的地)	货交承运人 成本加运保费		
Deliver to Buyer	EXW	EX works 工厂交货 (.....指定地点)	工厂交货	Deliver at warehouse or yard in exp. country	Over the gate of seller's warehouse or yard
	DDP	Delivered Duty Paid 完税后交货 (.....指定目的地)	货交买方	Deliver at warehouse or yard in imp. country	Over the gate of buyer's warehouse or yard

Organize experts and scholars to revise and amend international transport and international trade mechanism

International Rules for the Interpretation of Trade Terms (for land ports) is only one of the many international regulations and norms. We should strengthen contact with ICC and other relevant organizations, organize experts and scholars to study and revise international treaties, domestic laws and international lex mercatoria including Uniform Custom and Practice for Documentary Credit Credits, Uniform Rules for Collection, Uniform Rules for a Combined Transportation Document, Uniform Rules for Contract Guarantees, United Nations Convention on the International Sale of Goods, and China's Maritime Law and General Principles of the Civil Law to bring them in line with the need of international trade development in international land ports and inland regions, and introduce our practices to worldwide.



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is a necessary measure to smooth the Land Bridge transport. Let's join hands and work for that!

Thanks !

