

### Trade Logistics Projects - Recommendations by Country Trade Logistics Studies

	Inner Mongolia Autonomous Region of the PRC	Kyrgyz Republic	Mongolia	Tajikistan	Xinjiang Uygur Autonomous Region of the PRC
Supply Side					
Infrastructure					
Road network, Cross-border points	<p>Improve transport networks and corridors</p> <ul style="list-style-type: none"> <li>– prioritize routes and investment requirements for road and rail transport</li> <li>– create public private partnerships to finance and operate transport in cooperation with industries</li> <li>– create database on demand by industry</li> </ul>	<p>Modernize cross-border posts (EurAsEc list of technical reqs.?), e.g. x-ray, information system for customs transit</p> <p>Road development and maintenance</p>	<p>Adopt zonal approach to road development – (a) complete parallel roads to north-south railway, (b) maintain and upgrade central and north roads, (c) build roads in south, (d) extend and upgrade roads in east, (e) develop and upgrade roads in west</p>	<p>Modernize border posts (Nizhniy Pyandzn, Ayvad, Pakhtaabad, Pendzhekent, Chanakl Fotehabod, Batken, Kizil-Art Pass) – x-rays, scanners, warehouses, trained dogs</p>	<p>Upgrade border facilities – modernize and automate; focus on the Korgas border (with KAZ), establishing it as a road transport hub in the short term and the multimodal hub once the railways extend into KAZ</p>
Rail network Locomotive fleet		<p>Rail links between PRC and CIS via Torugart pass can mean link between North and South branches of KGZ railways</p> <p>Electrify railways</p>	<p>Install new rail tracks in Omnogovi region Increase current capacity of north-south railways and rehabilitate through double stacking</p> <p>Review tariff discounts structure</p>	<p>Purchase 15 units of diesel locomotives, 180 rail wagons for cargo transport.</p> <p>Upgrade Kolkhozobod – Nizhniy Pyandzn,</p> <p>Electrify lines / use electrical locomotives between Bekabad – Kanibadam</p>	
Air transport and airport infrastructure		<p>Improve in-transit service capability at Manas airport</p>			
Logistics facilities, Dry ports Containerization Multimodal transport Refrigerated capacity cold storage transportation and other equipment	<p>Expand dry ports and inland depots</p> <ul style="list-style-type: none"> <li>– Ganqimaodao Port (office, facilities for inspection, communications, electronic instruments)</li> <li>– Ceke Port (warehouse)</li> <li>– Erenhot Port (public)</li> </ul>	<p>Multimodal centers, e.g. Alamedin or Balykchy railway station, the latter a viable alternative to the Dostyk (KAZ) route but needs handling equipment; also Osh, Kara-Suu or Jalal-Abad</p> <p>Agribusiness logistics</p>	<p>Logistics facilities:</p> <ul style="list-style-type: none"> <li>– central logistics center</li> <li>– comprehensive trucking terminal,</li> <li>– container-handling terminal</li> <li>– specialized cold rooms for meat storage and processing, with Ulaan</li> </ul>	<p>Expand logistics services</p> <p>Construct wholesale and trade centers, which will require streamlining of visa, customs, freight handling</p> <p>Modernize equipment and facilities – cold rooms, reefer containers and vehicles,</p>	<p>Promote specialized logistics service providers, by (a) selective licensing, to stabilize market (b) ranking operators, to promote value for money (c) encouraging mergers, for operators to reach a critical size, (d) attracting other related players, to encourage</p>

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	<p>bonded warehouse and coal storage)</p> <ul style="list-style-type: none"> <li>– Jining (railway terminal expansion and logistics hub with rail and road access)</li> <li>– Baotou (handling equipment and container scanner)</li> <li>– Linhe (logistics center, distribution and warehouse)</li> </ul> <p>Establish dry port (Erenhot) common facility to ensure inspection and approval of animal products from MON</p> <p>Build refrigerated capacity, i.e. public refrigerated warehouses – study market demand in dry ports, do business plan, explore BOT option</p> <p>Promote intermodalism – gather requirements i.e. inland depot yards, cranes, truck chassis, and link with Asia Highway and Asia-Europe Railway</p>	<p>centers to consolidate produce of small farms and market them, provide storage for perishables</p> <p>Border trade and logistics center - in Sary-Tash (ongoing) and At-Bashi valley (proposed) for clearance, cross-docking of cargo between PRC and KGZ, service facility for road carriers</p>	<p>Bataar as the focal point</p>	<p>warehouses with conventional racks and materials handling equipment such as pallet jacks, forklifts and tower cranes</p>	<p>growth of synergistic logistic. Or bring in best practice and encourage SCM players to set up gateways</p> <p>Develop and implement a strategic masterplan for logistics centers (3 Tier I centers in Urumqi, Horgos, Kashgar, 4 Tier II in ShiHeZi, Kuitan, Akasu, San San)</p> <p>Modernize distribution and warehouse facilities with handling equipment and cold rooms, warehouse management system– container terminal in Horgos and transport network and logistics facilities in Turgat, warehouses in Xinjiang</p> <p>Promote containerization – by standardizing transport loads and enabling easy sealing, box traffic raises the efficiency of movement and customs clearance;</p> <ul style="list-style-type: none"> <li>– establish dedicated inland container services to Horgos- to enhance new Jing Yi Huo route to Almaty</li> <li>– upgrade and realign railway tracks, improve traffic signals</li> <li>– develop inland container terminal to decrease turnaround time at rail and road services</li> </ul>

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					To address the problem of cargo imbalance between heavy eastbound and light westbound traffic, allow market pricing of rail service
IT infrastructure, information system	<p>Build ICT by upgrading e-Port to include e-commerce and interactive functionality</p> <ul style="list-style-type: none"> <li>– (a) construct network, research and development, and user pay software system, and (b) construct facilities, hardware, networks, security protection</li> <li>– strengthen IMAR-MON network to connect with dry ports and overcome incompatibility with GAMAS</li> <li>– upgrade e-Port to a One Window</li> <li>– institute database system</li> <li>– use e-Port to train and create awareness</li> <li>– link e-Port to railways system</li> </ul> <p>Build capacity and knowledge in modern logistics, trade and transport practices - use e-Port to train, provide training courses</p>	Install integrated information system for international trade (a EurAsEc priority)			<p>Create Logistics Information Exchange through public-private partnership</p> <p>Technology: Systems Development</p> <ul style="list-style-type: none"> <li>– transport information system – provide basic capacity and vehicle availability info over the internet</li> <li>– application development capacity- for operational planning, performance monitoring and business management needs</li> <li>– system implementation and management – need a reliable technology service provider specializing in logistics, offering advisory, implementation, and ongoing management services</li> </ul>
Policy					
“Blue-print” institutional capabilities Business climate, Laws, regulations and government				<p>Review transport escort policy and requirements</p> <p>Establish TAJ National Logistics Council and develop a masterplan for the</p>	

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procedures, Investment attractiveness of the country				transport and logistics sector. Identify key trade sectors per country and streamline logistics development with synchronized 5-year plans	
Institutional capacity and human resource development		Logistics training to develop the demand side - practice of outsourcing transport and customs clearance and in-house storage results in buying goods in full-truckload (FTL) quantities hence the underdeveloped less- than-truckload (LTL) services Organize strong professional association		Establish national supply chain training institute	Training: Skills Devt: Prioritize technical and professional training aimed at developing “enterprise capacity”  Service: Transport Programs: – container train service through fixed-schedule trains – air cargo – attract dedicated cargo carriers
Customs and other trade facilitation deficiencies		Follow through on Decree 464 on simplification of trade procedures  Coordinate Customs operations at border posts	Request Xingang Customs to expedite clearance  Create green lane across borders  Engage PRC customs on electronic data interchange	Adopt risk management to replace full check and audit of vehicles and contents	
Regional cooperation					
Transit system; Bilateral or regional logistics cooperation issues, Legal framework for cross-border transport	Institute local trucking, logistics, and supply chain council to link with PRC council and other organizations to share information  Construct registration and certification system for trade	Certify weighbridges to standardize calibration, allow mutual recognition of weight certificates  Improve technical capability of product certification bodies, allow mutual recognition	Accelerate transit transport framework agreement with PRC and Russia  Purchase long term rates from Trans-Siberian railways to secure lower operating rates	Develop joint customs free town with PRC at Kulma Pass – allows locals to buy duty-free goods, barter, exhibit their goods; follow Horgos model (KAZ-PRC) which has retail, exhibition, and entertainment facilities	Align documents within region  Review old transport agreements and their enforcement (traffic rights, vehicle dimensions, right and distance of entry, etc)

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	<p>intermediaries and a grading system</p> <p>Provide open forum for initiatives of PRC-MON Customs Cooperation Expert Group - to enforce inspection results, common documents, common IT platform</p> <p>Upgrade IMAR-MON dry ports' financial systems to be at same level of development</p> <p>Legal framework (National Development and Reform Commission issued statement to promote the development of national logistics industry)</p> <ul style="list-style-type: none"> <li>- amend road transport agreements to eliminate disputes on crossing of trucks</li> <li>- devise plan to form joint venture trucking firms</li> <li>- review TIR system for cooperation</li> </ul> <p>Upgrade to modern trade systems by linking IMAR with FIATA certification programs</p>	<p>of product certificates</p> <p>Improve customs transit system by simplifying TIR and enabling electronic guarantee</p>	<p>Provide greater preferential discounts to key industries</p>	<p>Ratify free trade and special economic zone laws</p> <p>Dialogue with UZB on the blockade of goods, customs practices, treatment of TAJ drivers</p> <p>Improve relations with AFG, KGZ, KAZ</p> <p>Trilateral transport agreement between PRC, PAK, AFG</p> <p>Set up PRC visa application center at Murgab or Khorog</p>	<p>PRC accession to TIR (requires correct truck specifications, training)</p> <p>Strengthen cooperation regulatory framework for dispute settlement</p>
Private Sector Participation					
Operational capabilities Trucking			<p>Logistics industry:</p> <ul style="list-style-type: none"> <li>- appoint lead agency for development of</li> </ul>	<p>Explore possibility of financing/leasing services for logistics equipment</p>	

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<p>companies Captive companies 3<sup>rd</sup> party logistics operators Foreign operators/ investors Logistics value chain/partnerships between logistics operators Provision of logistics services across the border (WTO GATS issue?)</p>			<p>transport and logistics with help of global associations such as CITL</p> <ul style="list-style-type: none"> <li>– set consistent standards, and rank companies</li> <li>– do scenario analysis for PRC accession to TIR</li> <li>– enforce bilateral agreement between PRC and MON</li> </ul> <p>Increase frequency of departure of Mongolian vector</p> <p>Relocate cargo consolidation center from Hohhot to Zamyn-Uud</p> <p>Promote new transshipment service based in Ulaan Baatar that provides management services</p>		
Demand-side issues					
<p>Regional and national forecasts Production and consumption logistics, etc.</p>			<p>Emphasize demand side proposals</p> <ul style="list-style-type: none"> <li>– promote trade and manufacturing - (a) increase export value by building industrial ecosystems, (b) add value to transit trade goods by establishing production plants and logistics facilities along main transport route</li> <li>– strengthen industries</li> </ul>		

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			<ul style="list-style-type: none"> <li>- improve current transport services and introduce new ones</li> <li>- upgrade free trade zones to Special Econ Zones (Zamyn-Uud, Altanbulag, and Tsagaanuur), to expand range of services and allow investors more options</li> </ul>		