

# 6 BELT & ROAD INITIATIVE

# CR EXPRESS CARRIES WEIGHT OF EXPECTATIONS

Rail freight services linking Chinese cities with destinations across Eurasia seen as critical to boosting trade and economic ties

By LUO WANGSHU  
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“The trees and plants exported by Sichuan Heshengde Import and Export Trade Co used to spend up to 35 days in transit before they reached their destination markets in Europe. After being loaded onto a truck at the company's base in Chengdu, capital of Sichuan province, the plants were driven to Xiamen Port on the southeast coast and transferred to a ship, which crossed the Indian Ocean and the Red Sea before docking in Europe. Things changed in December, however, when the company switched to using a China Railway Express freight service that travels between Chengdu and the Dutch city of Tilburg in just 13 days.

“It's not only cut the travel time, but also 'wastage',” said Gao Yunfei, assistant to Heshengde's general manager. “The rail journey has increased the survival rate of our plants by 10 percent compared with the previous shipping method.”

“Plants also look much better, which means they can be sold at a higher price,” he added.

“To date, the company has shipped nine containers loaded with money tree plants, Chinese banyan or white willow on the freight service. Most containers are about 12 meters by 2 meters by 2 meters.

Gao said about half of Heshengde's exports now travel by train. “The price is higher, but considering the time and reduced wastage, the cost is about the same as by sea,” he said. “It depends on our customers' requirements, but as the supplier, we prefer rail.”

The CR Express network is helping companies throughout China and neighboring countries to improve their trade with markets in Central Asia and Europe.

China launched its first cross-border rail freight service — between Chongqing and Duisburg in Germany — in March 2011. Since then, the number has risen to 51, connecting 27 Chinese cities with 28 destinations in 11 countries.

Some 3,557 outbound and inbound journeys had been made on these routes, and that figure is expected to hit 5,000 by 2020, according to a five-year development plan for the CR Express released in October by the National Development and Reform Commission.

Seventeen Chinese cities have regular scheduled services, with the busiest being Chengdu, where 10 trains depart every week. The other 10 offer chartered services.

The shortest run is between Chengdu and Lodz in Poland, which takes 12 days, while the longest starts in Yiwu in Zhejiang and ends in Madrid, cov-

erage from plants to shoes to Christmas decorations. Individuals can even rent space to ship their personal belongings when they move home.

As the domestic consumer market has grown, more trains are also returning to Chinese cities loaded with European goods.

“More than 1,000 kinds of small commodities, from clothes to Christmas gifts, ride the freight train from Yiwu to Europe,” said Liu Xilin, who runs the Shanghai office of China Railway Container Transport Corp.

Yiwu is the world's largest hub for small commodities, manufacturing about 1.8 million various kinds of goods, from air conditioners and power tools to hats and auto parts.

Eight rail freight routes connect the city with destinations across Eurasia, including London, which in January became the westernmost point of the CR Express network. The inaugural service transported daily supplies, clothes, suitcases, bags and fabric to the British capital, and returned loaded with maternity products, soft drinks and vitamins.

“Since the London service started, my cellphone has not stopped ringing with calls from customers in China and abroad,” said Fang Xudong at Yiwu Timex Industrial Investment, which helps companies use CR Express services.

Last year, 120 trains left Wuhan, the capital of Hubei province, bound for Europe, and 102 trains returned carrying goods.

“Red wine from Bordeaux, milk and edible oil from Belarus and flour from Russia were transported on those freight trains to Wuhan,” said Wu Guangming, president of Wuhan Asia-Europe Logistics. “Those products were stored in customized refrigerated containers and sold at a reasonable price, allowing ordinary people to enjoy the benefits of the Belt and Road Initiative.”

His company rented five foreign-designed refrigerated containers last year, but Wu said this year it will use a domestically developed container. “Technology can support international trade and meet more customers' requirements,” he added.

The CR Express management office in Chengdu has pledged to improve the efficiency of its services and is working with third-party companies to better cater to clients' demands.

“Customers can now talk directly with account managers who coordinate the entire procedure, including customs clearance and storage,” said Zheng Shuangli, marketing director at Chengdu Inland Port Operation Co, a logistics agency.

“Clients no longer need go through all procedures alone,” she added.

“The plan sets a target to have three gateways and 43 transit hubs as part of the CR Express network by 2020.

Logistics services are seen as a physical link connecting Eurasia that could prove the cornerstone for strengthening economic ties. However, the development plan states that better regulation is urgently needed to deal with the high costs, disorderly competition, inefficient customs clearance, and unsuitable infrastructure.

Over the past six years, not only has the frequency and capacity of China's freight trains increased, but the cargo they carry has also changed.

In the early days, containers were mainly filled with electronic devices made in China, such as laptops and cell-

phones, but today, products range from plants to shoes to Christmas decorations. Individuals can even rent space to ship their personal belongings when they move home.

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The CR Express freight service has turned Alashankou in the Xinjiang Uygur autonomous region into a bustling border port. CHEN JIAN / FOR CHINA DAILY

## Cargo goes the distance, and drivers take it one step at a time

By LUO WANGSHU

For Zhong Junlan, taking the helm of a China Railway Express train is like running a relay race. “I drive to point A,” he said, “and then another driver takes over, then another, and so on, until the cargo reaches its final destination.”

It is a race he has been running since 2013, when he was chosen to drive the first leg of the inaugural cross-border freight service from Chengdu, the capital of Sichuan

province, to Lodz in Poland. The journey to Guangyuan, 360 kilometers up the track, takes on average more than five hours, he said. From there, about 50 drivers will steer the cargo in shifts the rest of the way, some 9,466 km, over about 12 days.

For safety reasons, drivers in China are restricted from working for more than six hours at a time. Zhong said if a CR Express train is scheduled to pass through Guangyuan in the opposite direction

within a day or so, he will drive that back to Chengdu. If not, he will take a day off and return to base for his next assignment.

Although the 33-year-old is a veteran in starting the race, he has never seen the finish line. “It's a pity that I've never been to Alashankou,” he said, referring to the city in the Xinjiang Uygur autonomous region where the train crosses the border into Kazakhstan, “or to Lodz, for that matter.”

Zhong's role may only cover 4 percent of the entire journey, but he said the job is far from easy. “It's a mountainous region between Chengdu and Guangyuan, with many ups and downs and curves. So it requires extremely smooth handling to drive a CR Express train because it can be carrying fragile or valuable commodities, such as electronic products, handicrafts or plants,” he said.

The maximum speed a freight train is allowed to go in China is

120 km/h, although Zhong said he takes it slow. “I have been driving freight trains on this stretch of track since 2009. I know every corner and every hill,” he said, adding that experience has taught him when to adjust the speed to keep a train steady depending on its length and weight.

Since the first rail freight service left Chongqing in 2011, the number of international freight services has risen rapidly. “So too has Zhong's workload. “When I first

## Central Asian foods offer a taste of things to come

By CHEN YINGQUN  
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With a long whistle to herald its arrival, the freight train Chang'an pulled into the station at Xi'an, the capital of Shaanxi province, in late March. On board was 1,000 metric tons of rapeseed oil and 1,000 tons of sunflower seed oil from Kazakhstan.

It was the first time the freight service had carried goods produced in the Central Asian nation.

The oil was bound for Xi'an Aiju Grain and Oil Industry Group, and in a few months it will be on Chinese dining tables, according to the company's chairman, Jia Heyi.

Jia had been searching for business opportunities in Central Asia ever since President Xi Jinping proposed the Belt and Road Initiative in 2013, but it wasn't until he visited an expo in Almaty, the largest city in Kazakhstan, in 2015 that he spotted one.

“I bought some local wheat flour and used it to make noodles, which were really tasty,” he said. “In Kazakhstan, people use traditional ways to plant crops. They seldom use chemical fertilizers or pesticides. Its wheat yield is much lower than China's, but the quality is good.”

He said he went on to learn that Kazakhstan is about 13 times the size of Shaanxi, but has only half the population, which means large areas of rich arable land is often left unused.

“Every year, about a third of the land remains unplanted, and farmers don't have the technology or the networks to grow various crops and sell

them to the right markets,” he said. Not long after getting a taste of the country, Jia began sourcing agricultural products from Kazakhstan. To date, Aiju Group has imported about 2,300 tons of oil, 5,000 tons of flour and 1,500 tons of wheat.

The company is also building two factories in the North Kazakhstan Region, which will process up to 1,000 tons of wheat and 1,000 tons of sunflower oil a day, as well as a base to plant wheat and sunflower seeds over 33 hectares. The base will be finished by 2020 and create 300 jobs, Jia said.

“We can bring high-efficiency planting and processing technologies to Kazakhstan, which will help with local economic develop-



A display of handicrafts at the Kazakhstan section of an international trade fair draws visitors in Xi'an, Shaanxi province. PROVIDED TO CHINA DAILY

ment,” he said. “The projects can also benefit China, as they will safeguard food security and sustainable agricultural development.”

He added that he plans to start importing beef, mutton, honey and milk products from Central Asia, too, as transportation is so convenient.

Xi'an launched its first cross-border rail freight service to Almaty in 2013. Since then, it has started services to Moscow, Rotterdam in the Netherlands, Warsaw in Poland, Hamburg in Germany and Budapest in Hungary.

So far, 317 trains have traveled on the network and exported a combined 474,000 tons of cargo, according to the official data.

Bai Qinbin, deputy director of port management for the Xi'an International Trade and

Logistics Park, said the city's large transportation network can help boost trade and investment between China and countries involved in the Belt and Road Initiative.

“We're working on starting a service between Xi'an to Teheran this year, as the Middle East is in great need of Chinese goods, especially food and commodities for daily use,” he said.

Xi'an is also building up its airfreight and shipping networks, he said. Since the start of last year, charter flights have been departing from Xi'an bound for Amsterdam and Seoul to serve cross-border businesses.

“We want Shaanxi people to be able to buy from the world and sell to the world — even without leaving Shaanxi,” Bai said.

## In Chongqing, traders are getting on the right track

By CHEN YINGQUN

In ancient times, Chinese merchants headed west to transport tea to Europe. Today, Italian trader Nicola Sangiovanni is helping European wines travel east to China.

Two years ago, he was inspired to start a business selling imported food and drink in Chongqing, a bustling metropolis in the southwest, after hearing about the Belt and Road Initiative.

“I think China is very open, and this kind of opening up (the initiative) is a good opportunity for cooperation,” he said, standing in the Italian Pavilion at the Chongqing International Exhibition and Trading Center, where his business is based.

“Moreover,” he added, “the Chongqing-Xinjiang-Europe freight trains provide fast, low-cost and convenient transportation, which makes importing and exporting easier.”

The service, now part of the rebranded China Railway Express network, departs from Chongqing and travels more than 11,000 kilometers across Kazakhstan, Russia, Belarus and Poland before arriving in Duisburg, Germany. The ser-

vice has been credited with greatly boosting trade and investment between China and countries along the Silk Road Economic Belt and 21st Century Maritime Silk Road.

Chongqing, which the Yangtze River runs through, has more than 1,000 piers and is an important connection point between shipping and the railways. Goods from neighboring provinces and Southeast Asia all pass through here, with the freight trains able to deliver cargo to 36 cities in 12 European nations.

Since 2011, more than 1,000 trains have ridden on the Chongqing-Europe rail link, according to Yang Liqiong, deputy director of the local economy and information technology commission. She said the number this year is forecast to hit a record 500, up from 432 last year.

“The rail service is much faster than shipping and much cheaper than an airplane,” Yang said, adding that the train takes only 12 or 13 days to arrive in Duisburg — 30 days quicker than a ship — and is one-fifth the cost of air-freight.

Gu Yonghong, general manager of Chongqing Logistics City, where the rail



A freight train leaves Yiwu in Zhejiang province bound for Madrid on April 15. CHEN JIAN / FOR CHINA DAILY

“The goods arriving from Europe are mainly auto parts, food, milk, wine, luxury products, and raw materials like feed grain and nonferrous metals,” Gu said, adding that the Belt and Road Initiative “will greatly strengthen Chongqing's image overseas and bring great benefits to Chinese manufacturing and trade.”

Yang said the city has worked to improve its freight train services in recent years, such as by fitting containers with digital locks that have GPS and an alarm function to boost security, as well as doing research on containers that can store products in extremely cold temperatures for weeks at a time.

She said the local authorities also plan to connect the railway with air transport services, which would allow trading companies to send their goods to Chongqing by air and then onto Europe by rail.



Workers unload a car at Chengdu inland port that was shipped from Nuremberg in Germany using a China Railway Express freight service. CHEN JIAN / FOR CHINA DAILY