

Outline of the Working Group Meeting on Breathing Life into the Tumen River Transportation Corridor

On 12th–14th July 2004, ERINA and the government of Primorsky Krai held a working group meeting in Primorsky Krai, with the aim of breathing life into the Tumen River Transportation Corridor, one of the nine Northeast Asia transportation corridors and one in which all the countries and regions of Northeast Asia are involved.

Based on the fora on breathing life into the Tumen River Transportation Corridor that were held in Hunchun in October 2003 and in Niigata in February 2004, this third forum on the subject was held with the aim of enabling interested parties and experts to gain an understanding of the current situation regarding this specific case study that will have a bearing on future developments, and to discuss

solutions that can be implemented in the future.

Around 50 experts and representatives of government institutions and private sector companies (including observers) from Russia (26 people), China (11 people) and Japan (13 people) participated in the meeting, as well as a representative of the ROK's Dongchun Ferry Co.

The basic policy meeting, which took place on 12th July in the official guesthouse of the government of Primorsky Krai, in Vladivostok, was chaired by Victor Gorchakov, Deputy Governor of Primorsky Krai, and Marohito Hanada, former Japanese Ambassador to Mongolia. During this meeting, concrete discussions took place regarding the transport of cargo via Troitsa Port, approaches to joint initiatives with Russia and China, and ways in which Japan can cooperate. The Chinese representatives expressed their desire to use Troitsa Port for domestic transport between the southern and northeastern regions of China, and an exchange of opinions also took place regarding the potential for transporting coal. The Russian representatives stated that they would like to see progress in revitalizing Troitsa Port in collaboration with China and proposed that private sector companies in China conduct initiatives in partnership with Troitsa Port Ltd. In addition, the Russians requested that the Chinese recommend private sector companies that could become partners in this, with a view to conducting concrete discussions. Moreover, the necessity of a survey of specific cargo volumes and the importance of providing transport services that are appropriate to the revitalization of the route and can compete adequately with other routes were emphasized. The Japanese representatives were requested to provide information about major Japanese cargo that could be handled at Troitsa Port.

On the 13th, the group moved from Vladivostok to the Khasan District and visited Kamyshovaya rail transshipment station and Posiet Port.

On the 14th, the group visited Troitsa Port, so members could see for themselves how lively and bustling it is. Imported cars and machinery are lined up within the port, while timber and scrap metal are frequently loaded onto and unloaded from ships; in addition, the Dongchun Ferry from Sokcho entered the port while the group was there.

After the tour of the port, a meeting of experts took place in the Troitsa Port offices. Following a detailed explanation of the situation at Troitsa, group members participated in a question and answer session, as well as exchanging opinions. Furthermore, the representative of Dongchun Ferry outlined the current situation with regard to use of the port and relevant problems. The meeting was particularly meaningful, as a concrete exchange of opinions on port use and border-crossing issues took place.

As a result of the three days of meetings and visits, a Memorandum of Understanding incorporating an action plan was formulated. In addition to confirming that the Chinese and Russian sides would conduct discussions with a view to running the port jointly, the proposal for its use as a domestic transport route by China means that tangible progress in breathing life into the Tumen River Transportation Corridor was made as a result of the meeting.

The 2nd Working Group meeting is due to be held in

the Chinese city of Changchun, in December 2004.

Memorandum of Understanding Concerning the Working Group on Transport Via Troitsa Port in the Tumen River Transportation Corridor (Primorye 2)

On 12th–14th July 2004, a working group meeting (hereafter referred to as the 1st WG) of interested parties from Japan, China and Russia took place, based on the fora held in Hunchun in October 2003 and in Niigata in February 2004, with the aim of breathing life into the Tumen River Transportation Corridor (the route via Troitsa Port, hereafter referred to as “this route”), one of the Northeast Asia transportation corridors. In addition, interested parties from the ROK took part as observers. Further details of participants are provided separately.

The participants in this meeting affirmed the importance of breathing life into this route, which links Troitsa Port and Hunchun, in order to achieve economic development in the countries and regions of Northeast Asia. In addition, as a result of visits to Kamyshovaya transshipment station, Posiet Port and Troitsa Port, as well as holding a meeting for practitioners (experts), it was affirmed that the parties involved would make conscientious efforts in pursuit of the following goals.

1. With regard to use of the railway in Russian territory, the Russian side pledged to consider adopting a flexible approach and implementing pricing policies appropriate to this route *vis-à-vis* cargo using Troitsa.
2. The parties from all three countries agreed that transport services (comprising transport charges, transport times and taxes) throughout this route (in China and Russia), which consist of marine, rail and road elements, should be sufficiently competitive with alternatives to this route.
3. The Chinese side committed itself to considering the implementation of joint initiatives aimed at the revitalization of Troitsa Port, in partnership with Troitsa Port, Ltd., pledging swiftly to recommend a Chinese partner (private sector company) to this end and to promote concrete discussions regarding the subject. After private sector discussions have taken place, the governments of Primorsky Krai and Jilin Province will present to each other their proposals for cooperation in breathing life into this route.
4. The Japanese side will provide as much information as possible to the Chinese and Russian parties, regarding important cargo that could be handled at Troitsa Port. This includes time schedules and cargo volumes.
5. It was affirmed that the three countries would continue their initiatives based on the following target schedule:

November 2004

- i) Construction of an information network between

- the three parties
- ii) Joint implementation of a cargo volume survey
December 2004
 - i) Compilation of the cargo volume survey
 - ii) 2nd WG meeting to take place (Changchun)
February 2005
 - i) Compilation of a report on the current situation regarding each issue and relevant solutions
 - ii) Confirmation of the transport costs and times for this route

14th July 2004

N.B. The official text of this Memorandum of Understanding is in Russian, Chinese and Japanese