

Session A-1: The Tumen River Transport Corridor - The Development of the Yanbian Area and a Northeast Asia Ferry Route

Summary

Firstly, Ikuo Mitsuhashi - Senior Fellow, ERINA - gave a general summary of recent developments in the Tumen River Transport Corridor, and spoke, more specifically, on the working in concert of the interested parties from Japan, China, Russia and the ROK to establish a joint venture company, on the Northeast Asian ferry project which all are striving to make a reality, and on the related implications, approaches and challenges.

From Zhu Yehui - General-Director, Tumen River Area Development Administration, Jilin Province, China - there was an analysis of why the Tumen River Region is taking a long time to develop. He said differences such as language and economic development were the causes, and whether all the countries would be able to overcome them in partnership was the key.

Cai Xuyang - Deputy Mayor, Hunchun City, China - stated that because it is considered that the current international ferry project would significantly contribute to the economic development of the Yanbian area, that along with desiring its establishment at the earliest possible time, no amount of cooperation should be spared to that end.

Magomed Muskhonov - General Director of Berkut Co., Ltd., Russia - spoke on the significance of the international ferry project as seen from Russia, and evaluated it as a highly worthwhile project for the Russian side too. Further, on the subject of the previously highlighted inefficiency of customs on the Russian side of the border with China, since customs have recently announced that they will expand customs clearance facilities, he stated that this would be a great step forward towards the solution of the problem.

Batsukh Galsan - the Ambassador of Mongolia to China - although acknowledging the significance of the

Tumen River Corridor, was of the opinion that it would take considerable time to reach Mongolia, and he stressed that there should be examination of improving the transport route from eastern Mongolia via Jinzhou in Liaoning Province, China.

Chae Yong-Saeng - Mayor, Sokcho City, ROK - speaking on the Northeast Asian ferry route which would create a Seoul-Sokcho-Niigata-Tokyo link, evaluated it as a groundbreaking distribution route. For its realization, Sokcho City and Gangwon-do were prepared to undertake all necessary cooperation including finance.

Baeg Seong-Ho - President, Dong Chun Ferry Co., Ltd., ROK - along with explaining the background and detail of the afore-mentioned international ferry project, stated that for the project to succeed it was necessary to improve the border crossing problems and the efficiency of cargo-handling at Zarbino port.

Hideaki Oikawa - General Manager, HR Department, Kojima Iryo Co., Ltd., Japan - described the plant which was set up last year in Hunchun. It has grown to a factory with 800 employees, and from next year and into 2009 he wants to have up to 3,000 employees. He stated that if that is the case, 240 twenty-foot equivalent containers would be sent out per month, and the establishment of a sea-route is a prerequisite.

Lastly, questions were taken from the floor.

The first question was about the four countries' states of preparation for finance to a joint-company between the four countries. China, whose contribution is 20%, watching the state of preparation on the Japanese side which has already entered into the establishment of a company for financing, has had to further hurry progress. The finance is no problem. The Russian side (with a 30% contribution) has entered into the procedures necessary nationally in

order to invest into Japan, and it will be able to contribute without any problem. Likewise the ROK has no problem with finance.

Another question was about the progress in the examination of the receiving terminal for the international ferry in the Port of Niigata. The answer to this was that the relevant organizations have already held various discussions, and the mutual understanding between the interested parties has deepened. For the time being, it will take place at the Central Wharf of Niigata West Port, but there is also a proposal for East Port, and, with an eye to the future, its use too is being considered.

Finally Ikuo Mitsuhashi brought everything together as below.

Discussions were held on the possibility of the establishment of a Northeast Asia international ferry route, and on the concrete effects regarding this route producing great changes in the Tumen River Area as a whole, and the possibility of its realization. The directly concerned parties flagged a great number of particularly problematic points - how to proceed on these problems, the current situation and where the problems lay overall.

I think a great problem is that the mutual understanding and mutual accommodation between the interested nations is exceedingly difficult, concerning the fact that this route is spread between the relevant countries. Nevertheless,

regarding this attempt by the four countries, they have a shared vested interest in creating a company in concerted effort, and through doing so, the four countries have worked out a mechanism where they must work in harmony and on friendly terms, whether they like it or not. This is a completely new way of doing things, and I think this will become a model for a variety of future cooperative activities in Northeast Asia. In Northeast Asia, these four countries, with the inclusion of the DPRK, will form a common axis of five nations. Whether they like each other or not, the five countries have no choice but to get along with each other in a friendly manner, and to that end, a mechanism is needed in which some form of mutual cooperation can take place. As we put it: multilateral cooperation. This ferry route is the first example of multilateral cooperation for physical distribution in Northeast Asia. In this format, we are working to advance international ferry services and the development of the Tumen River Area. I think, after listening to today's talk, that from the interested parties from the four countries there has emerged a strong feeling of an intention to come together with highly cooperative and maximal give-and-take.

By continuing in this direction, we think that we will be able to offer a model to the whole of Northeast Asia.

[Shingo Narumi, Visiting Researcher, Research Division,
ERINA]