

An Analysis of China Railway Express' (Chang'an No) Development Issues under New Opening-Up

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Abstract: Along with Chang'an international freight train's rapid development under the Belt and Road Initiative, some problems emerge of homogeneous competition in running routes, imperfect operating mechanism and insufficient operating services and infrastructure, which need to be solved for the healthy and sustainable development of Xi'an's trade. Based on current foreign trade performance of Chang'an international freight train, this paper proposes several solutions of proper reinforcement of Chang'an no's position as goods supply, sustainable improvement of Chang'an no's operation level and appropriate optimization of Chang'an no's transportation service model to enhance its all-round development.

1. Introduction

Chang'an international freight train is not only an important step of Shaanxi Province and Xi'an city's joint construction for a new starting point of Silk Road Economic Belt, but also a dominating force driving Shaanxi Province's "hub economy, portal economy, flow economy" development and promoting Xi'an export-oriented economic construction. At present its destinations include more than 40 cities of 20 countries such as Russia, Germany, Poland, Finland, Hungary, Italy, Belgium and so on, realizing full coverage in Europe. Helping developing the Silk Road from the former "trade road" into an "economic belt" gathering various industries and large population, Chang'an international freight train has become a typical brand of Shaanxi's opening up.

From November 28, 2013 to March 2021, 44 lines have been opened by Chang'an international freight train. High-quality and great-leap-forward development has been accomplished year by year in Chang'an international freight train, which can be seen from the fact that over 1000 trains ran in 2018 and over 2000 in 2019. Especially in 2020, overcoming the influences of Covid-19 pandemic, Chang'an international freight train opened up the green channels of international logistics and successfully realized great improvements against adversity. By October 18, 2020, Chang'an international freight train ran up to 3004 trains, 1.8 times the same period of last year, and internationally delivered freight tonnage of 2.309 million, 1.5 times the same period of last year with 100% heavy container rate. Among the 3004 trains, 828 trains were bound for central Asia including 659 outbound freights and 169 return freights; 2176 trains were bound for Europe including 1296 outbound freights and 880 return freights. According to the statistics from China-Europe Railway Transport Coordination Committee, from January to August in 2020, Chang'an international freight train ranks the first place in all cities of China in such core indexes as conversion train number, heavy container rate and freight volume, and its comprehensive evaluation index ranks the top in China, becoming a typical example of high-quality development in CRexpress [1].

Normal running of CRexpress (*Chang'an no*) has been realized westward and northward in the world. Up to now, 15 international routes have been opened, covering main sourcing destinations in central Asia and Europe and radiating 44 countries and regions along the Belt and Road. Among the

15 routes, 4 lines are bound for 5 central Asian countries (Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan) and 3 west Asian countries (Iran, Afghanistan, and Azerbaijan's Georgia), and 11 lines are bound for central Europe, including Germany (Hamburg, Mannheim, Duisburg, and sea-rail line reaching Rostock), Poland (Sławków, Warsaw, Małaszewicze, and Poznań), Czech (Prague), Finland (Kouvola), Belgium (Ghent), Hungary (Budapest), Italy (Verona), Turkey (Istanbul), Belarus (Minsk), and Russia (Yekaterinburg and Moscow).

2. Crexpress Chang'an no's Development Problems

Some problems inevitably emerge as the result of Chang'an international freight train's rapid development. Learning from developing courses of CRexpress in other places, it is not an option that developing CRexpress merely emphasizing high quantity and relying on local government subsidies. While this conclusion has not been fully conscious of in many places, thus in the market-dominated era causing many problems to appear. Such problems as homogeneous competition in running routes and resources, high empty-loading ratio, imperfect operating mechanism, and insufficient operating services and infrastructure seriously restrict the healthy and sustainable development of CRexpress.

2.1 Homogeneous Competition in Running Routes

The places where CRexpress leaves expand gradually from some central and western cities into southeastern coastal cities in China. However, the lack of overall layout and systematic design of operation network of the freight trains along the routes, coupled with the extensive development model of most provinces and cities, brings about single transit area of main lines and serious homogeneity in running routes [2]. The radiation capacity of branch lines is also in urgent need of improvement. Furthermore, the resources are randomly scattered and the sourcing destinations are comparatively near, thus in fact CRexpress is not fully and wisely utilized, which even leads to the blind competition among some trains with similar sourcing destinations. Meanwhile, the supply structure of Chang'an international freight train is not excellent. Though 90% of outbound freights is foreign trade, the supply of foreign trade of return freights is less than 10%, indicating that the overseas market develops insufficiently.

2.2 Imperfect Operating Mechanism

With the launch of CRexpress, in order to effectively cultivate market funds, local governments actively train annual subsidies, which explodes the number of trains. Because of the market imbalance, Xi'an government gives annual subsidies to Chang'an international freight train, while which results that many trains delay frequently. Then its operation is classified as non-market behavior management mode, implying that if without governmental subsidies, it will be difficult to continuously and normally start trains. And the fact that many trains are still underserved because only one train is schemed per week makes it worse.

2.3 Insufficient Operating Services and Infrastructure

In the need of growing China-Europe trade, various types of trains via main node cities between China and Europe increase in number as well as freight volume, contributing to the rapid multiplication of running routes. But at the same time, the development of CRexpress runs into a bottleneck on account of not good enough transportation capacity of some trains, relatively underdeveloped infrastructure in hub spots, and low level of operational service supports.

First, because of the inconsistent standards in China, central Asian countries, CIS countries and some European countries, at least 2 different routes need planed in order to arrive in Europe. However, due to the improper maintenance of the vehicles, the trains need to lift and unload when transferring in hub spots. Therefore, not only the freight costs increase, but also the transport time is prolonged. Second, the rail freight yards and infrastructure on which CRexpress depends on are relatively low, and the freight distribution system is less than perfect, which fails to provide effective supports for the collection and curriculum of CRexpress. Third, Hanwha cargoes are

usually heavy loading, while the replacement capacity and storage volume of ports along railways are relatively low, which easily make trains stop at the ports for a long time. This gives great pressure to ports of China and Europe, and leads to the continued suspensions of trains, indicating reduction of efficiency, increase of transportation costs and time, limitations of transportation capacity, and shortening of overall operation time.

3. Suggestions and Solutions to Improvement of Chang'an No Train

3.1 Proper Reinforcement of Chang'an no's Position as Goods Supply

Shuttling along the Silk Road Economic Belt, Chang'an international freight train has become an iconic symbol of opening up of Xi'an International Trade & Logistics Park and a "Xi'an Name Card" driving on the Silk Road manifesting the determination and confidence of the development and opening up of Xi'an and its surrounding areas [3]. Developing gradually, Chang'an international freight train has become an indispensable international transport channel of CRexpress, as well as an important train for Xi'an to spread Chinese culture and promote economic development. Based on Xi'an geographical advantages and looking forward to *Chang'an no's* development potential, it is suggested that first expanding the international influences of CRexpress in economic cooperation zones, industrial parks and free trade zones in China and central Asia and introducing more anti-transshipment goods and imports; next, encouraging domestic enterprises to set up overseas offices and business offices, strengthening the cooperation with logistics enterprises and freight transportation companies in Europe and central Asia, and intensifying gathering role's playing and advantages' forming to enhance the opening of import ports; last, based on the original import and export qualification of railways, obtaining the import license of fruits, medicine, aquatic products and other articles, so as to expand the source range of Xi'an international goods.

3.2 Sustainable Improvement of Chang'an no's Operation Level

With the deepening construction of Belt and Road, both quantity and quality of Chang'an international freight train have improved. Relying on its geographical advantages, Shaanxi has accelerated its railway construction in an all-round way, and continued to improve the operation level of Xi'an International Trade & Logistics Park and Chang'an international freight train [4]. For building the transportation and business logistics center along the Belt and Road, Shaanxi could vigorously develop "Xi'an-Central Asia-Europe" freight routes, optimize CRexpress trains of "five fixed", accelerate the demonstration project of Xi'an Port along the Belt and Road, and open 8 intermodal transport routes in succession relying on international road-rails, sea-rails and air-ground channels to support the joint development of double ports.

3.3 Appropriate Optimization of Chang'an no's Transportation Service Model

According to the transportation capacity and market demand of CRexpress, to shorten transport time and improve organizing level, China (Shaanxi) Pilot Free Trade Zone needs optimize both the long-term and short-range planning. Meanwhile, it needs to enhance the coordination of transportation, storage, logistics, customs clearance, inspection and quarantine, agreements and other existing links to provide a full set of integrated logistics services for the buyers, especially the emphasis on the integrated logistics complex model, which can be achieved through optimization of CRexpress' window platform offering such full services as business transfers, document production, customs clearance and inspection, freight track, and emergency processing, etc. To improve the quality and efficiency of train operation, it is suggested to enhance the cooperation with foreign railways, ports and other departments so as to establish unified and mutual learning forms of documents, customs data sharing and other relevant regulations and technical standards. Furthermore, the appropriate construction of new rail lines directing to east Asia and Europe is recommended, with the purpose of diversifying the characters and types of goods transported instead of simply increasing freight volume.

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