

EU-CHINA OBSERVER

DEPARTMENT OF EU INTERNATIONAL RELATIONS AND DIPLOMACY STUDIES



"EXCHANGING IDEAS
ON EU-CHINA RELATIONS:
AN INTERDISCIPLINARY
APPROACH"

College of Europe
Collège d'Europe



DEPARTMENT OF EU INTERNATIONAL
RELATIONS AND DIPLOMACY STUDIES

Baillet-Latour Chair of
European Union-China Relations



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The electronic journal **EU-China Observer** is jointly published by the **Baillet Latour Chair of European Union-China Relations** and the **EU-China Research Centre** based in the Department of EU International Relations and Diplomacy Studies at the College of Europe in Bruges. The journal provides a platform for scholars and practitioners to further deepen the academic analysis and understanding of the development of EU-China relations from an interdisciplinary perspective.

The **EU-China Observer** publishes scholarly articles based on theoretical reasoning and advanced empirical research, practical policy-oriented contributions from all fields of EU-China relations, and conference reports on the annual conferences organised by the Baillet Latour Chair and the EU-China Research Centre. The journal targets academic audiences as well as policy practitioners, members of the business community, NGO representatives, journalists and other interested persons.

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With the financial support of the Baillet Latour Fund, the College of Europe established in 2008 the Baillet Latour Chair of European Union-China Relations and in 2014 the EU-China Research Centre. The **Baillet Latour Chair of European Union-China Relations** offers courses on EU-China relations at the College of Europe in both Bruges and NatoLin. It also organises guest lectures, international conferences and promotes multidisciplinary research on the European Union's relations with China. At the end of each academic year, the Chair grants an award for the best Master's thesis on EU-China relations.

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- undertake high quality research, preferably from an interdisciplinary perspective, on topics of major importance in the field of EU-China relations;
- publish the research results with well-known publishing houses and in reputable academic journals;
- develop cooperation and exchanges with universities and scholars who are specialised in EU-China studies;
- organise conferences, mainly in Bruges and Brussels; and
- host visiting scholars working on EU-China relations.

www.coleurope.eu/EUChinaCentre

Scholars and practitioners interested in contributing to the **EU-China Observer** should refer to the instructions on www.coleurope.eu/EUCO.



Prof. Jing MEN

*Director of the EU-China
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INTRODUCTION TO THE INTERNATIONAL CONFERENCE 'THE BELT AND ROAD INITIATIVE: EU-CHINA LOGISTICS AND SUPPLY CHAIN

On 23 November 2017, The Baillet Latour Chair of European Union-China Relations and the EU-China Research Centre at the College of Europe, together with the European Shippers' Council, organised an international conference on the broad theme 'The Belt and Road Initiative: EU-China Logistics and Supply Chain'. During this all-day event, leading scholars, high-level EU and Chinese officials, PhD students and representatives of major transport, logistics and distribution companies gathered to share their views on a broad range of topics pertaining to the key issue of connectivity between the EU and China. The conference offered an excellent opportunity for fruitful debates in the spirit of pooling cross-cutting expertise and enhancing people-to-people contacts.

Following an introductory session aimed at providing a high-profile scene-setting for the discussions, three main panels were organised. The first panel focused on the geopolitical and geo-economic implications of the Belt and Road Initiative (BRI); the second panel discussed in more detail the link between the issue of connectivity and the BRI; the third panel highlighted the logistical challenges and opportunities currently facing China and Europe.

For the purpose of sharing with our readers the main ideas discussed during the conference, we have edited this special issue of the EU-China Observer. Following the detailed conference programme, the issue will provide a summary of the key points raised by each speech, according to the event structure. This will not only offer a glimpse of the issues discussed to those who could not attend the conference, but will also allow our readers to gain a better idea of the 'substance' of such important themes.

Jing MEN

Francesco S. MONTESANO

CONFERENCE PROGRAMME

| | |
|-------------|--|
| 9:00-9:30 | Registration and welcome coffee |
| 9:30-10:20 | Introduction session: Policy in the EU and China on Connectivity Moderator: Prof. Jing MEN, Baillet Latour Chair of EU-China relations and Director of EU-China Research Centre, College of Europe Speakers: <ul style="list-style-type: none">• Mr. Laurent BARDON, European Commission, DG Trade: Belt and Road Initiative: open for EU business?• Mr. Minglong TANG, Head of Unit for Economic Development, Department of Western Region Development, National Development and Reform Commission of the PRC: The Development of China Railway Express and Its Prospect |
| 10:20-10:45 | Coffee break |
| 10:45-12:30 | PANEL 1: B&R- Geopolitical and geo-economic implications Moderator: Mr. Jo LEINEN MEP, President of the EP Delegation for Relations with the PRC Speakers: <ul style="list-style-type: none">• Prof. Richard T. GRIFFITHS, Leiden University: Whose 'Belt and Road' is it?• Ms. CHEN Xuechen (Iris) and Ms. GAO Xinchuchu (Chuchu), King's College London: Pursuing a Common Goal in Different Ways? An Analysis of the Perception Gap Between BRI and the EU's Connectivity Strategy• Dr. Karen JACKSON and Dr. Oleksandr SHEPOTYLO, University of Westminster/University of Bradford: 'Belt and Road': the 'China Dream'? A Structural Gravity Model Approach• Dr. George TZOGOPoulos, Senior Research Fellow and Advisor for EU-China Relations at CIFE: Chinese Investments in Greece and their Impact |
| 12:30-13:30 | Lunch |
| 13:30-15:20 | PANEL 2: The Belt and Road Connectivity Moderator: Mr. Godfried SMIT, LLm, European Shippers' Council Speakers: <ul style="list-style-type: none">• Prof. Jing MEN, Baillet Latour Chair of EU-China relations and Director of EU-China Research Centre, College of Europe: China-Europe Railway Connectivity: Opportunities and Challenges• Dr. Ivaylo GATEV, University of Nottingham, Campus Ningbo: Standardisation along the Silk Road Economic Belt• Dr. Kaho YU, Harvard Kennedy School: Growing Chinese Investment in Energy Ports under the Belt and Road Initiative: Implications for the European Union• Prof. Thierry VANELSLANDER, Department of Transport and Regional Economics, University of Antwerp: OBOR: User Opportunities through Chair Cost Calculations |
| 15:20-15:40 | Coffee break |

15:40-17:15

PANEL 3: China-Europe logistical challenges and opportunities

Moderator: Prof. Thierry VANELSLANDER, Department of Transport and Regional Economics, University of Antwerp

Speakers:

- Ms. Susanne AIGNER, European Commission, DG TAXUD: European Union Customs Legislation and Approach, Opportunities and Challenges
- Mr. Sergio BARBARINO, P&G: One Belt One road, an Opportunity for Synchromodality?
- Mr. Wessel SIJL, DB Cargo Nederland N.V. : Challenges for an Efficient Customs Settlement in Rail Transport to and from China. Logistical and Legal Aspects
- Mr. Karl GHEYSEN, NC "KAZAKHSTAN RAILWAYS" JSC: The New Silk Road - Connecting Western China with Western Europe. Opportunities and Threats for European Logistics

17:15

Closing remarks

- Prof. Jing MEN, Baillet Latour Chair of EU-China relations and Director of EU-China Research Centre, College of Europe
- Mr. Godfried SMIT, LLm, European Shippers' Council

INTRODUCTION SESSION: POLICY IN THE EU AND CHINA ON CONNECTIVITY

Prof. Jing MEN welcomed the participants to this international conference, thanking the European Shippers' Council for their help in co-organising the event and stressing the relevance of the conference topic at both the academic, the policy-oriented, and the business level.

The first keynote speech was given by Mr Laurent BARDON, Policy Coordinator for China, Hong Kong, Macao, Taiwan, Mongolia at the European Commission, DG TRADE. Mr Bardon began by emphasising the fact that the EU has been open to China's Belt and Road Initiative (BRI) from the start, highlighting the decision taken during the 2015 EU-China Summit to establish bilateral cooperation on the initiative. In light of the need to upgrade infrastructure to promote sustainable growth across Eurasia, Mr Bardon also stressed the relevance of the EU-China Connectivity Platform, led by DG MOVE on the EU side and by the NDRC on the Chinese side. The Platform has fostered convergence on the key principles of inclusiveness, sustainability

and innovation, and as of now the two sides are discussing about the selection of as many as 35 projects, 19 on the EU side and 16 on the Chinese side. At the June 2017 Connectivity Platform meeting, the EU submitted proposals to step up cooperation in the field of public procurements, and suggested that EU-China projects should move beyond joint ventures to also allow entirely European- or Chinese-owned companies to manage projects on both sides.

While an agreement on this has not been reached yet, the EU remains committed to the principles of full transparency and equal treatment, which it believes are key pillars of sustainable cooperation and therefore essential to the very success of the BRI. With regard to this, Mr Bardon voiced the concerns of many European companies about the increasingly restrictive access policy implemented by the Chinese side for its domestic market, arguing that it represents a significant contradiction vis-à-vis the BRI



values. Therefore, Mr Bardon concluded by arguing that the main issue surrounding the implementation of the BRI has to do with how to make it more multilateral in practice. In this light, a concerted effort towards the establishment of multilaterally agreed principles of project implementation should be a top priority for both European and Chinese policymakers.

The second keynote speech was given by Mr Minglong TANG, Head of Unit for Economic Development, Department of Western Region Development, National Development and Reform Commission of the PRC. Mr Tang started by emphasising how, following the 19th Party Congress, China's process of reform and opening up will continue. He then argued that the EU's complaints about the difficulty in accessing the Chinese market are based on a 'misunderstanding'. Since the Chinese domestic infrastructure market is already very well developed, it is quite normal that there are few possibilities to make it more open to foreign investors by launching new projects. Hence, the EU and China need to focus more on the vast areas between them, where opportunities for joint cooperation are plen-

tiful. In this light, Mr Tang stressed the importance of the China Railway Express, a pioneering initiative based on the construction of three multimodal corridors (West, Central, and Eastern) with the aim of connecting and promoting the implementation of projects in a vast number of countries, thereby achieving win-win outcomes across the Eurasian landmass. Already over 6000 trains have successfully run along those corridors, and the Chinese government is placing renewed emphasis on further developing this initiative.

Mr Tang also acknowledged the existence of several obstacles to the implementation of the Railway Express, ranging from different technical standards to varying customs practices along the route. Also, he noted the current imbalance in the amount of goods travelling from and to China, with less cargo on the trains back, and argued that this might be due to diverging trade policies vis-à-vis what remains a Chinese initiatives. He concluded on an optimistic note, suggesting that the initiative will surely further develop thanks to the continuous process of joint consultation on the structuring and implementation of the BRI undertaken by both China and its partners. ☺

PANEL ONE: B&R- GEOPOLITICAL AND GEO-ECONOMIC IMPLICATIONS

The first panel was chaired by Mr Jo LEINEN, MEP and President of the EP Delegation for Relations with the PRC.

Professor Richard T. GRIFFITHS opened the panel with a broad discussion on some of the BRI's less-emphasised aspects. First, he focussed on how this initiative is not just about China and Europe, but it rather affects –first and foremost- actors located in the often fuzzily defined 'Eurasian space' between them. Also, Professor Griffiths stressed the importance of not letting the Chinese burgeoning optimism regarding the BRI shroud the existence of at times very heavy criticism coming from key actors such as the US and India. Second, Prof Griffiths highlighted the uniqueness of the BRI in that it is a Chinese-led endeavour, wherein interested countries undertake bilateral agreements with Beijing and –for the most part- are then granted 'tied loans', with China providing both the money

and the resources/manpower needed to implement one or more BRI-linked projects. However, Prof Griffiths also helpfully remarked that Eurasian connectivity initiatives did not start with China: several regional arrangements, such as UNESCAP, CAREC and ASEAN, have already had somewhat similar plans for over 10 years, spanning the whole infrastructure development spectrum encompassing roads, railways, ports, and pipelines. China's main success at this stage is to have been able to successfully 'brand' its own initiative in a way that has set it apart (and under the global spotlight) from the other existing ones.

Ms Xuechen CHEN and Ms Xinchuchu GAO analysed the perception gap between the EU and China in terms of their connectivity strategies. First, they provided an overview of the EU's connectivity strategy, composed of the Juncker Plan, the TEN-T Projects, the new European Neighbourhood Policy, DG MOVE's Strategic Plan 2016-



2020, and the Digital Single Market. They then outlined the main characteristics of the EU's agenda, emphasising its strong rule-based normative foundations, the existence of multiple notions and dimensions of connectivity (hence a rather fragmented understanding), its spatially bounded approach which overwhelmingly focuses on the EU's own territory and its immediate neighbourhood, and its emphasis on citizens' welfare. Conversely, China's BRI is characterised by relatively loose and flexible normative underpinnings, clear prioritisation of infrastructure-based connectivity, flexible, constantly evolving and expanding nature. Also, it is possible to observe a trend towards a Chinese theorisation of the concept of connectivity, which might be seen as a 'rival' vis-à-vis the European model of regional integration and cooperation. Therefore, the EU-China connectivity perception gap is defined by diverging normative underpinnings, diverging approaches and diverging strategic priorities. In order to mitigate the perception gap, Ms Chen and Ms Gao suggested that the EU should develop a better understanding of alternative normative foundations, while China should improve its communications strategy regarding its own initiative, as this will foster the development of sounder mutual understanding. Finally, Ms Chen and Ms Gao briefly outlined the EU's main concerns regarding the BRI, which include Chinese investments in sensitive sectors (e.g. defence), the issue of reciprocity and access to the Chinese market for EU companies, China's alleged 'divide and rule' tactics, and the dumping of Chinese products in Europe.

Dr Karen JACKSON began her presentation by stressing that, in spite of its sheer size, there has been very little trade economic modelling on the BRI. Her paper, written together with Dr Oleksandr SHEPOTYLO, tries to address this gap by adopting a 'structural gravity' approach - based on the proximity of the trade actors taken into account - to analyse the welfare effects of different EU-China trade scenarios. Specifically, the research explores the potential impact of the BRI on China and the EU if it were to be combined with a China-EU FTA (either 'shallow' or 'deep'), and uses the hypothetical scenarios of BRI + TTIP and BRI + TPP as comparative benchmarks. By examining a vast sample of 162 countries for the period 1960-2014, the study shows that, even on its own, the BRI is likely to bring moderately positive welfare gains to both the EU and China. When combined with an FTA, the gravity model predicts very significant mean gains in terms of the reduction in transport costs for both actors, proportional to the 'depth' of the FTA and attaining an average of 5.28 percent for China and 3.08 percent for the EU. Of course, Dr Jackson noted how such major rewards can only be reaped if policymakers on both sides are able to spell out the interconnectedness of the BRI, a China-EU investment agreement, and the possible eventual FTA. This, Dr Jackson remarked, is only likely to happen if China is satisfied that the EU is a strong and credible partner. On the other hand, China also needs to step up its discursive power and improve the clarity of the BRI narrative, as well as exercise caution regarding the risks linked to the high exposure of Chinese banks to BRI-related project funding.

THE EU-CHINA CONNECTIVITY PERCEPTION GAP IS DEFINED BY DIVERGING NORMATIVE UNDERPINNINGS, DIVERGING APPROACHES AND DIVERGING STRATEGIC PRIORITIES

Dr George TZOGOPoulos examined Chinese investment in Greece and the impact they have at both the national and the broader European level. First, he stressed the relevance of the Belt and Road Initiative for Greece's crisis-stricken economy. In order to address the financial troughs the country has found itself in, the government

has had to resort to extensive privatisations, which have been seen by China as a very good opportunity to strengthen its presence on the European market. In this sense, Beijing has started by adopting what Dr Tzogopoulos defined 'port diplomacy', which climaxed in COSCO's takeover of Piers 2 and 3 of Athens' Piraeus Port, currently vastly outperforming Pier 1 (still controlled by the Greek government). After port diplomacy, China has been trying to broaden its Greek investment portfolio, as illustrated by its growing interest in the energy market. This 'openness' to China has drawn heavy criticism on Greece from many

EU institutions and officials, who fear Athens' cosying up with Beijing might turn into a 'Trojan horse' which will destabilise the broader financial stability of the EU. Dr Tzogopoulos, however, stressed that China's success in Greece should trigger greater reflection on the part of the EU as to what the reasons are behind this success, which – if the EU is to truly avoid these 'Trojan horses' to actually materialise – should in turn inform future reform. ☺

PANEL TWO: THE BELT AND ROAD CONNECTIVITY

The second panel was chaired by Mr Godfried SMIT, International Policy Director at EVO and Policy Manager at the European Shippers' Council.

Prof Jing MEN opened the panel discussing the main opportunities and challenges of strengthening China-Europe railway connectivity. First, she highlighted the great potential for growth in railway transportation, thanks to important developments on both sides. In China, the implementation of the Railway Express has made great progress, with the number of direct China-Europe train journeys only in 2017 already exceeding 3,000, more than in the six previous years combined. So far, 35 Chinese cities offer a total of 57 train services to some 34 cities in 12 European countries. In Europe, the EU's Trans-European Transport Network (TEN-T) has been under development since 2001, seeking to harmonise the transport infrastructure across all EU Member States. In addition to this, the EU has also been active in the promotion of transport corridors with its Eastern neighbours, for instance with its Transport Corridor Europe-Caucasus-Asia (TRACECA). Also, in 2012, the Commission-funded Reorganisation of transport network by advanced rail freight concepts (RETRACK) programme proposed the implementation of three rail bridges between Europe and China. Furthermore, Prof Men stressed the relevance of connectivity efforts undertaken by other Eurasian countries, notably the Baku-Tbilisi-Kars railway and the Central Asia Regional Economic Cooperation (CAREC) Programme. All these developments have resulted in the

fast growth of rail-transported container traffic between China and Europe, which increased from 25,000 TEU in 2014 to 145,000 TEU in 2016 and is projected to keep growing at a 15% annual rate in the next decade. In her concluding remarks, Prof Men stressed some of the main outstanding issues that will need to be taken into account if EU-China connectivity is to exploit its full potential. First, the need to step up cooperation and coordination between all the involved players, including Russia and the various Eurasian regional organisations. Second, the sustainability of the China Railway Express in the long run, as well as the need to improve efficiency by means of e.g. customs cooperation, investment synchronisation and security enhancements. Finally, the need to solve some key technical barriers, such as the different rail gauges and other issues of standardisation.

Dr Ivaylo GATEV picked up on the issue of standardisation along the Silk Road Economic Belt, an intensely debated issue which requires greater efforts if EU-China connectivity is to be brought to the next level. Dr Gatev described the standards situation across Eurasia as an 'archipelago', stressing that divergences are not neatly spread in regional clusters, but rather appear as a patchwork that makes smooth transfers very complicated. In addition to the already mentioned gauge issue, Dr Gatev listed a great deal of other issues of standardisation, pertaining to e.g. container loading techniques, traction systems, maximum train length, maintenance, and even the very understand-

ing of what 'reliability' (i.e. on time transport) is. In this light, Dr Gatev stressed the need for stronger transnational and trans-regional cooperation, and praised the inclusion of a standardisation platform in the broader EU-China Connectivity Platform. Also, he mentioned how, at the sub-national level, some Chinese provinces (e.g. Chongqing, Chengdu) have been actively introducing new models for trans-regional cooperation. Finally, he highlighted the existence of fundamental differences between the EU and China as far as standard-setting is concerned: while EU standards tend to be business-driven, in China they are to be ascribed to a much more politicised environment. This makes the harmonisation process more complex and fraught with potential misunderstandings, but Dr Gatev argued that interoperability is nevertheless possible, provided that all parties show sufficient commitment.



Dr Kaho YU presented a case study on the impact on EU-China relations of China's growing BRI-led port and energy investment, focusing on the China-Pakistan Economic Corridor (CPEC). The CPEC, and particularly Gwadar port at its southern end, plays a key role in the development of the BRI. Indeed, the relevance of Gwadar applies to both the broader connectivity domain, with China trying to link not only cities but also other kinds of functional hubs, such as ports, and to the more 'innovative' goal of creating 'energy hubs'. Among the CPEC and Gwadar's key objectives is that of shortening the distance between China and the oil-rich Middle East, improving the availability of resources to fuel Beijing's growth and reducing China's geo-economic vulnerability to traditional 'chokepoints' such as the Malacca Straits. In more general terms, Dr Yu noted that the CPEC and Gwadar illustrate quite clearly China's determination to build a large-scale multimodal infrastructure network, aimed first and foremost at matching its need to transfer overcapacity. In some ways, China's drive is quite reminiscent of the EU's own version of 'connected Asia', presented in the 2016 Global Strategy. With specific regard

to Pakistan, the CPEC shows remarkable compatibility with the EU-Pakistan 5-year Engagement Plan, thereby highlighting how the EU and China have a clear common interest in improving connectivity across Asia (and, more broadly, Eurasia). However, despite such potentially promising developments, Dr Yu held that the EU and China still exhibit quite a number of fundamental divergences with regard to how to implement their connectivity strategies, in terms of e.g. geopolitical interests, environmental standards, and the importance of the rule of law.

Prof Thierry VANELSLANDER presented a more technical study seeking to devise an integrated model of entire multimodal transport networks based on their chain cost. The aim of the model with regard to the BRI is to try and determine which of the many transport routes between China and the EU are more cost-effective, depending on the origin and destination of shipment. Specifically, three main routes were taken into account: the 'traditional' maritime route entering Europe via the Hamburg-Le Havre (HLH) range (including Antwerp and Rotterdam); a newer maritime route via the Trieste/Koper region; the land-based railway connection. Prof Vanelslander showed how the calculation results for a sample shipment to Munich prove that (1) the new maritime route via Trieste always outperforms the old one via HLH, regardless of the shipment's point of origin in China, and (2) the railway route becomes the most cost-effective one when the location in China is far from a major sea port. Therefore, as the new routes (maritime and railway) are being developed under the BRI umbrella, ports in the HLH range could face serious competition, and would then need to readjust their strategy if they are to remain prominent. ☺

THE EU AND CHINA HAVE A CLEAR COMMON INTEREST IN IMPROVING CONNECTIVITY ACROSS ASIA (AND, MORE BROADLY, EURASIA)

PANEL THREE: CHINA-EUROPE LOGISTICAL CHALLENGES AND OPPORTUNITIES

The third and final panel was chaired by Prof Thierry VANELSLANDER, from the Department of Transport and Regional Economics at the University of Antwerp.

The third and final panel was chaired by Prof Thierry VANELSLANDER, from the Department of Transport and Regional Economics at the University of Antwerp. Ms Susanne AIGNER presented an extensive introduction to the recent developments in the EU's customs legislation and approach. First, Ms Aigner gave an introduction to the new Union Customs Code, highlighting some of its most advanced features, which include the full automation of all procedures and processes, alignment with global standards including the World Customs Organisation's Data Model, cross-border and cross-agency cooperation and overall simplification. Second, she illustrated the EU's Common Transit policy, seeking to facilitate border crossing and to balance the interests of both operators and customs agencies. The new initiatives will guarantee one single customs procedure from start to finish, in contrast with the status quo of standardised yet separate national transit procedures. Ms Aigner also mentioned a few envisaged future extensions of customs policies, mostly aimed at enhancing interconnectivity via the developments of specialised hubs and a greater engagement within the broader European Region. Finally, she stressed the rapidly developing customs cooperation between the EU and China. In addition to the EU-China Customs Cooperation and Strategic Framework for Customs Cooperation, Ms Aigner highlighted the Smart Secure Trade Lanes Project, a pilot project between the EU and Asia which allows testing end-to-end supply chain security instruments and mechanisms in line with the WCO SAFE Framework of Standards (FoS), as well as the growing cooperation on e-commerce.

Mr Sergio BARBARINO focused his presentation on the concept of synchromodality, and touched upon the opportunities that the BRI could offer in that regard. As the chair of the Alliance for Logistics Innovation through Collaboration in Europe (ALICE), Mr Barbarino discussed the importance of advancing the notion of a 'physical' internet aimed at devising a comprehensive framework for a more consistent approach to logistical issues. In this context, synchromodality refers to the development of intermodal services between modes and with shippers, aligning equipment and



services on corridors and hubs and integrating these into networks. As an example, Mr Barbarino offered the case of two shippers with different time requirements who tend to use different modes to transport their goods. In a synchromodality scenario, the shipper with a tighter schedule who cannot always fill their containers will cooperate with the shipper with less pressing deadlines by offering to transport some of the latter's cargo as 'ballast' in the partially empty containers, thereby creating a truly win-win situation. In this light, the BRI's emphasis on developing hubs and networks on a Eurasian scale is very promising and could certainly foster innovative supply chain design and synchromodal service integration in the coming years.

THE BRI'S EMPHASIS ON DEVELOPING HUBS AND NETWORKS ON A EURASIAN SCALE IS VERY PROMISING AND COULD CERTAINLY FOSTER INNOVATIVE SUPPLY CHAIN DESIGN AND SYNCHROMODAL SERVICE INTEGRATION

Mr Wessel SIJL investigated the logistical and legal aspects of the several challenges for efficient customs settlement in rail transport to and from China. After point-

ing out the many economic and environmental benefits of developing Trans-Eurasian rail corridors, Mr Sijl stressed the need to overcome the existing differences in customs settlement statutory regimes along the Europe-China transport routes. For instance, he highlighted the benefits of adopting a combined CIM (European)-SMGS (Post-Soviet) consignment note, which include more efficient border crossings, a reduction of consignment costs, and the provision of strong legal guarantees. Other useful developments would include further integration and coordination in the settlement of customs security declarations, as well as a more or less universal recognition of seals applied by consignors, shippers and railway operators as customs seals (this is already the case in Europe, but progress still needs to be made further East). Also, although the situation has improved following the establishment of the Eurasian Customs Union, there is still room for improvement in ensuring faster and more efficient border crossing procedures. In conclusion, Mr Sijl recommended that all stakeholders should give their support to the growing land transport corridor, by pushing for smart(er) transport and customs legislation, consignment procedures and transit and customs security procedures. This, Mr Sijl concluded, will only be achieved if there is close cooperation between the rail sector and all the authorities involved.

Mr Karl GHEYSEN presented some observation on the role played by the New Silk Road in connecting Western China

with Western Europe, focusing on the opportunities and threats this might present for European logistics. First, Mr Gheysen stressed the relevance of Central Asia, particularly Kazakhstan, in fostering connectivity between Western China and Europe, and highlighted the growing importance of the Khorgos Gateway dry port in Eastern Kazakhstan as a crucial hub for rail shipments between Europe and China. Moreover, Mr Gheysen emphasised the need for both operators and policymakers to move, both conceptually and practically, from 'simple' connectivity to the more advanced notion of 'interconnectivity'. As the role of Central Asian countries prove, new transport routes are no longer just about linking a point of origin 'A' with a destination 'B'. Rather, much more complex multimodal networks are being developed, whereby a multitude of intermediate hubs and waypoints are now present between A and B, thus requiring a thoroughly different approach, with both great opportunities to boost Eurasian trade and challenges in terms of e.g. technical and legal harmonisation.

At the end of the panel, Prof Jing MEN and Mr Godfried SMIT delivered a few brief concluding remarks, thanking the speakers, participants and organisers for their valuable contribution to a very successful event, which managed to bring academia, policymakers and operators together for a fruitful and diverse debate on an extremely relevant topic. ©

GROUP PICTURE

