

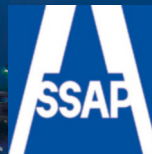


CHINA AND GLOBALIZATION 2.0

The China-Europe Railway Express

State Building and
Market Building

Edited by
Bai Gao
Zhihong Zhen



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China and Globalization 2.0

China is now at the forefront of globalization, particularly with the One Belt, One Road policy. What does a Chinese globalization look like, though? This series will explore the distinct legacies and evolutions of China's worldview, even as China exports its development model to countries around the world.

Bai Gao • Zhihong Zhen
Editors

The China-Europe Railway Express

State Building and Market Building

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The viewpoints presented in this book, as well as any potential errors, are the sole responsibility of the authors and are not related to those who aided.

August 11, 2017

Bai Gao

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Introduction: State Building and Market Building—An Economic and Sociological Analysis of China-Europe Railway Express

Bai Gao

1.1 CHINA-EUROPE RAILWAY EXPRESS: UNPRECEDENTED MARKET BUILDING

In 2013, the Chinese government launched the “Belt and Road” Initiative (BRI). The BRI spans over 60 nations with a combined population of over 3.2 billion, or roughly 45% of the world’s population, and a combined GDP of \$12 trillion, or 16% of the world economy. The total volume of trade reaches \$7,185.55 billion, representing 21.7% of global trade. The total trading volume between China and BRI countries stood at \$953.59 billion in 2016, making up 25.7% of China’s total international trade. The significance of these countries’ exports to China continues to grow, with the proportion rising from 23.9% in 2011 to 27.8% in 2016. China has

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also become the largest import market for major trading partners along the route.¹

The BRI is an unprecedented market development project. The “Belt” is short for the “Silk Road Economic Belt,” which encourages economic integration throughout Eurasia by building transportation infrastructure along the ancient Silk Road, thereby building the largest economic belt in the world in the twenty-first century. The purpose of the Silk Road Economic Belt is to integrate the economies of Eurasia. It is expected to bring about major growth in trade between Asian and European countries, significant reduction in various trade barriers, and additional bilateral, multilateral, and even comprehensive free trade agreements covering Eurasia; a significant increase in cross-border flows of capital, products, services, and technology; a global production system that will include many Central Asian, South Asian, Middle Eastern, and Central and Eastern European countries hitherto excluded from the international division of labor, providing them with previously unheard-of development opportunities; The entire area of Eurasia will be covered by a highly integrated logistics system made up of various modes of transportation such as highways, railroads, air, and sea; future e-commerce will present considerable development potential for small and medium-sized companies in various countries, with the completion of transportation infrastructure and the integration of numerous supporting systems.

The China-Europe Railway Express (CR Express) is a key driver of the Silk Road Economic Belt market construction project. The logistics industry that developed around CR Express is critical to the Eurasian market. The CR Express has grown rapidly since its inception seven years ago. Data from China State Railway Group Co., Ltd. (China Railway) shows that the CR Express has operated 5046 trains since its inception in 2011 until May 13, 2017. Of those, 1702 trains were operated in 2016 alone, while 593 trains were operated in the first quarter of 2017, an increase of 175% year over year; there were 198 return trains, up 187% from the previous year. The CR Express currently links 28 cities in 11 European nations and 27 cities in China,² spanning 21 provinces and municipalities. By

¹Jianing Cao, “Interpreting Big Data: ‘Belt and Road’ Initiative Becomes a New Engine for International Trade,” Belt and Road Portal, April 10, 2017. <https://www.yidaiyilu.gov.cn/xwzx/gnxw/10787.htm>.

²“Seven Countries’ Railway Departments Sign Agreement to Deepen China-Europe Railway Express Cooperation,” ThePaper.cn, April 23, 2017. http://www.sohu.com/a/13586635_260616.

2020, CR Express had hoped to have 5000 annual train trips between China and Europe.

The development of the CR Express differs significantly from city to city. For instance, Chongqing stands out in terms of international collaboration as it was the first city to operate the Chongqing-Xinjiang-Europe railway, abbreviated as “Yixin’ou” railway. In addition to establishing the sole international joint venture logistics platform among the cities served by China-Europe trains, it has also accomplished the extraordinary feat of enabling goods to be cleared at the point of origin and transported directly to Europe without having to pass through customs inspections in numerous countries along the way. The logistics platform construction in Chengdu started with three private companies and was later taken over by a state-owned enterprise (SOE) in April 2016. The number of rail services in Chengdu increased quickly after the switch from private to public ownership, catching up to Chongqing in 2016. What sets Yiwu apart from other cities on the China-Europe Railway Express is that since the start it has been run by a private company called Yiwu Tianmeng Industrial Investment Co Ltd., which manages the logistics platform for the Yiwu-Xinjiang-Europe railway, or “Yixin’ou.” Tianmeng has not only extended the “Yixin’ou” from Spain to the UK and Belarus but also to Iran, Afghanistan, and Iraq. In contrast to the other cities examined in this book, Zhengzhou lacks a strong manufacturing sector as its primary support. In Zhengzhou, the development of China-Europe Railway Express focuses on creating a dedicated logistics and trade channels. Furthermore, Zhengzhou’s logistics system extends beyond railways, as it is integrated with equally robust air and land transportation systems. While Wuhan is geographically advantageous, its approach to developing China-Europe Railway Express differs from that of others. Wuhan implements a strategy that stresses quality and seeks to raise the value of each container unit, unlike other cities that rely on government subsidies to obtain higher volume. Wuhan also emphasizes the openness of its logistics platform and promotes competition among businesses of various kinds on the platform, in contrast to other cities that concentrate on vertical integration to recuperate the costs of logistics platform building.

The development of CR Express presents two challenges to the economics perspective. First, from a financial standpoint, the operating costs are considerable. These trains have relied heavily on substantial subsidies from local governments since their inception. Some contend that CR Express make little economic sense since it is used by local governments as

vanity projects to score political points. Without government subsidies, it could not be sustained. Second, even from the viewpoint of new structural economics, which is more willing to recognize the role of the government in economics than other schools, China-Europe Railway Express do not fall under the category of industries that the government should support. According to new structural economics, the only time government economic intervention can be successful is when it is founded on comparative advantage. The China-Europe Railway Express, representing railway transportation, do not possess any apparent comparative advantage. Rail services are significantly slower than air service and have no economic advantage over maritime shipping.

Despite these, however, why have CR Express progressed so quickly? Why are there such stark differences between cities in the development of China-Europe Railway Express? Existing social science literature can offer us useful insights.

1.2 STATE BUILDING AND MARKET BUILDING

The perspective of economic sociology on the process of market construction as a part of the state-building process provides a valuable analytical framework for understanding the development of the CR Express. Simultaneously, the practical development of the CR Express enriches economic sociology's understanding of the relationship between the state and the market by providing significant empirical evidence.

In the existing economic sociology literature, there are two opposing views on the relationship between the state and the market. According to one viewpoint, represented by Max Weber, the market in rational capitalism, as exemplified by Western Europe, is built on specific legal and political structures. A legal framework that upholds property rights and contractual obligations is necessary for this capitalist market to operate efficiently and to ensure that profits are generated via legitimate business operations rather than parasitic extraction. Institutional economics has also backed up this claim, particularly through Douglass North's historical investigation. According to this view, the market and the government are different entities that can be analyzed objectively and can impact each another. The state plays a few critical roles in market development. Market development is dependent on the definition of property rights, the

establishment of industrial governance structures, the development of market exchange rules, and market monitoring.³

Another perspective, represented by Karl Polanyi, offers a different angle on this relationship. He argues that market building and state building are mutually dependent and intertwined processes. He points out that, unlike other commodities produced for free exchange in the market, land, labor, and money are “fictitious commodities” that cannot be independently generated from market activities. However, labor is simply the activity of human beings, land is nature divided into parcels, and the money that circulates in national economies almost always relies on the “full faith and credit” of one or another government. In a market economy, the necessary activity of regulating the supply of these fictitious commodities falls to the state and encompasses different initiatives. Therefore, it is impossible to talk about market building without also talking about state building.⁴ Market functions have developed as a result of state building. The establishment and development of markets depend on the establishment of state functions.

Although economic sociology emphasizes the importance of state building in the process of market building, it distinguishes between two scenarios when analyzing the role of the state: the state as an active agent influencing market building and the state as a structural condition influencing market building. In the first scenario, the state, composed of numerous actors, actively and intentionally pursues various public policies for different reasons. These policies can have expected or unforeseen, positive or negative impacts on market building and development. In the second scenario, the state passively influences market building and development. In this case, the state merely serves as a political platform for diverse actors to pursue their own interests, and the extent of their influence on the policymaking process depends on their relationship with the state. The state is also viewed as an organizational structure, in which the division of duties and the allocation of authority among its departments have a big impact on the public policies that determine how markets are

³ Neil Fligstein, *The Architecture of Markets: An Economic Sociology of Twenty-First-Century Capitalist Societies* (Princeton: Princeton University Press)

⁴ Fred Block and Peter Evans, “The State and the Economy,” in Neil J. Smelser and Richard Swedberg, eds. *The Handbook of Economic Sociology*, Second Edition (Princeton: Princeton University Press, 2005), pp. 505–506.

built. The government is also seen as an essential factor in deciding where economic activity occurs.⁵

1.3 THE STATE AS AN ACTIVE AGENT: INDUSTRIAL POLICY PERSPECTIVES

The literature on the industrial policy adopted by the developmental state offers a direct analytical framework for comprehending the forces that have fueled the rapid expansion of the China-Europe Railway Express when it comes to the role of the state as an active agent in the process of market building.

First, while operating within the parameters of private property rights and market economies, the primary goal of developmentalism is to achieve industrialization and sustained growth in per capita GDP, allowing for state intervention in the market from a long-term perspective. This is highlighted in the classical developmentalist literature, with a focus on Japan and South Korea. The subject of study in the developmentalist literature is both political and economic systems instead of the economic system alone. Setting such a research scope is significant as developmentalism takes the existence of the nation-state as a basic assumption. Classical economic liberalism, in contrast, argues for the independence of economic operations from politics and nationalism. On the contrary, developmentalism, at its core, is a theory and practice of industrialization approached from the perspective of the nation-state, where the interaction between politics and economy plays a crucial role. In fact, according to developmentalism, industrialization cannot occur without the interplay between politics and economy.⁶

Second, the goal of state industrial policies is to promote the growth of sectors that can generate maximum benefits and high added values in a nation's international trade. Comparative political economy literature on developmentalism emerged in the early 1980s with analyses of the Japanese economic miracle. Chalmers Johnson, in his book *MITI and the Japanese*

⁵Leon N. Lindberg and John L. Campbell, "The State and the Organization of Economic Activity," in John L. Campbell, J. Rogers Hollingsworth, and Leon N. Lindberg, eds. *Governance of the American Economy* (New York: Cambridge University Press, 1991), pp. 357–358.

⁶Yasuke Murakami, "An Anticlassical Political-Economic Analysis: A Vision for the Next Century" (Stanford: Stanford University Press, 1996), pp. 145–146.

Miracle: The Growth of Industrial Policy, 1925–1975, argues that while capitalist nations all operate within market economies, the states have different patterns of involvement in economic affairs. Johnson highlights the sharp contrast between a regulatory state and a developmental state. A regulatory state, such as the United States, focuses largely on establishing and enforcing the rules of game for the market, leaving the rise and fall of particular industries to market forces. In contrast, a developmental state, represented by Japan, is concerned with determining the industrial structure that will benefit its economy the most from international trade. Developmental states believe that the higher the added value of an industry in international trade, the greater its strategic value within a nation's economy. The state should utilize various policy tools at their disposal to promote the development of strategic industries.

Contrary to neoclassical economics' individualistic methodology, industrial policy analysis stresses a nation-state or a specific region's overall economic interests rather than individual business. "Western economics has consistently downplayed the role of the state and has not regarded collective actors involved in economic activities as entities equivalent to individual actors."⁷ However, as a representative of the Japanese Ministry of International Trade and Industry remarked, "Industrial policy must be formulated at the level of sovereign nations, considering the available resources. Factors such as national security and the improvement of international competitiveness in industrial policy cannot be effectively addressed without acknowledging the coexistence of sovereign nations."⁸ In other words, industrial policy focuses on broader, macro-level public interests rather than the profitability of individual business.

Third, one of the primary reasons why developing countries implement industrial policies to encourage the growth of strategic sectors is that the market in a latecomer nation cannot provide opportunities for such industrial development. Latecomer countries' economic progress is beset by a slew of internal contradictions. Low productivity implies that the nation should entice savings with high interest rates but, at the same time, its need to encourage investment also demands low interest rates. It needs a low exchange rate to promote exports but, at the same time, it also needs

⁷Bai Gao, *Economic Ideology and Japanese Industrial Policy* (Shanghai People's Publishing House, 2008 [1997]), p. 32.

⁸Bai Gao, *Economic Ideology and Japanese Industrial Policy* (Shanghai People's Publishing House, 2008 [1997]), pp. 32–33.

a high exchange rate to relieve the burden of debt payments and imports. It must adopt protectionist policies to prevent its infant industries from international competition but, at the same time, it also needs to promote free trade to empower its own exports and import. Because of these unbalanced conditions, the states in latecomer nations frequently interfere in the market to accommodate the competing interests of diverse parties. Even within the same market, importers and exporters, and borrowers and savers, often face disparate market pricing due to state intervention. In other words, the state in a latecomer nation not only sees few prices that truly represent the market, but it frequently purposefully inflicts pricing distortions in an effort to attract investments.⁹ This deliberate pricing distortion in state industrial policy, intended at encouraging businesses to engage in fledgling industries and produce profits, has an economic justification. Unlike Western neoclassical economics, which analyzes capitalist market economies in a purely abstract manner, developmental economics focuses on understanding unique historical processes of production, distribution, exchange, and consumption during the industrialization process.¹⁰ Yasuke Murakami has noted that a general trend seen in the process of economic development is that sectors heavily influenced by nature, such as agriculture, tend to experience diminishing marginal returns or rising marginal costs, whereas sectors where human intervention plays a more significant role frequently exhibit increasing marginal returns or decreasing marginal costs. Thus, if rising output levels in an infant industry result in falling marginal costs and rising marginal returns, the businesses in that industry will ultimately become competitive on a global scale.¹¹

Fourth, in the classical East Asian developmentalism represented by Japan and South Korea, the developmental state's industrial policy does not entail picking a single "champion" out of a variety of companies and concentrating resources to it. Instead, it promotes oligopolistic competition, enabling a few stronger businesses within a sector to compete and increase their level of global competitiveness. To help local businesses increase their competitiveness against global competitors, the developmental state opposes excessive competition and contends that resources

⁹ Alice H. Amsden, "Asia's Next Giant: South Korea and Late Industrialization" (New York: Oxford University Press, 1989), p. 13.

¹⁰ Yasuke Murakami, "An Anticlassical Political Economic Analysis: A Vision for the Next Century" (Stanford: Stanford University Press, 1996).

¹¹ Yasuke Murakami, "An Anticlassical Political Economic Analysis: A Vision for the Next Century" (Stanford: Stanford University Press, 1996), pp. 146–148.

should be comparatively concentrated due to the limited availability of national resources. Overly competitive industries dilute their scarce resources, which prevents them from reaching economies of scale.¹² “Industrial policy seeks to capitalize on falling marginal costs. Its objective is to preserve healthy competition in sectors with declining marginal costs. Without such a policy, these industries will not be able to unleash their growth potential.”¹³

1.4 CHINESE CHARACTERISTICS OF INDUSTRIAL POLICIES

The implementation of industrial policies in China differs significantly from that of Japan and South Korea, the representatives of classical developmentalism. The major difference lies in the strong presence of local governments and SOEs in China.¹⁴

In discussions about industrial policies in Japan and South Korea, the central government is frequently highlighted. However, this approach does not work in China. Chinese local governments play a crucial role in formulating and implementing industrial policies. They are able to selectively interpret and apply the industrial policies of the central government in accordance with their own preferences, and they occasionally develop local industrial policies that go against those of the central government. Chinese local governments use subsidies for industries they want to grow as a key instrument for implementing industrial policy. The fierce competition among local governments has played a significant role in driving the development of the railway logistics market symbolized by the China-Europe Railway Express. Trade between China and Europe has long been heavily reliant on maritime transport, but, by 2016, China-Europe Railway Express had grown to over 1700 trains, each carrying 41 standard containers. It is unthinkable without local government competition.

¹²Bai Gao, *Economic Ideology and Japanese Industrial Policy* (Shanghai People’s Publishing House, 2008 [1997]), p. 41.

¹³Yasuke Murakami, “An Anticlassical Political Economic Analysis: A Vision for the Next Century” (Stanford: Stanford University Press, 1996), p. 183.

¹⁴Regarding the GDP competition among local governments, refer to Zhou Li’an’s “A Study on the Model of Promotion Tournament for Chinese Local Officials” in the *Economic Research Journal*, July 2007, pp. 36–50. Regarding the role of state-owned enterprises in industrial policy, refer to Liu Xiaolu’s “Classification Reform and Policy Adjustment of State-Owned Enterprises from the Perspective of Industrial Policy” on [China.com.cn](http://www.china.com.cn), March 24, 2017. http://www.china.com.cn/opinion/think/2017-03/24/content_40495116.htm.

Moreover, another major difference between China and Japan or South Korea is the significant role played by SOEs in implementing and carrying out China's industrial policies. In theory, the Chinese government has much more sway over SOEs than it does over private or foreign companies because the government appoints the senior executives of SOEs. In reality, it is typical to see SOEs monopolizing particular industries within a given sector and being in charge of implementing and executing industrial strategies via administrative orders. SOEs are typically the primary actors in carrying out both central and local government industrial policies. Since the reforms and opening-up, SOEs have been required to operate per market principles; however, they continue to play a crucial role in implementing government industrial policies when the central and local governments want businesses to enter particular industries where the market is not yet fully developed. The existence and considerable role of SOEs in the Chinese economy have had a profound impact on how the Railway Express between China and Europe operate.

1.5 THE STATE AS A STRUCTURAL FACTOR

The state, viewed as a structural factor in the process of market building, plays a crucial role in explaining the differences among cities in operating China-Europe Railway Express. In our analysis of the development of CRE, three structural influences of the state are particularly important.

Firstly, the state functions as an organizational structure that allocates various powers and divides responsibilities internally. This division of labor among bureaucracies affects the interplay among different policy departments within the government, as they may pursue their own interests when formulating and implementing industrial policies. These interactions involve not only different branches of government but also societal forces. They frequently give rise to specific government-business relationships, and the nature of these relationships has a significant impact on how the government formulates policies, what kind of policies it formulates, and how it implements those policies [Leon N. Lindberg and John L. Campbell, "The State and the Organization of Economic Activity," in John L. Campbell, J. Rogers Hollingsworth, and Leon N. Lindberg, eds. *Governance of the American Economy* (New York: Cambridge University Press, 1991), pp. 358-359]. The development of the China-Europe Railway Express platform is profoundly influenced by the state capacity for intervention, regulation, and coordination as well as by the power

PVC building materials, caustic soda, tiles, decorative materials, clothing, industrial silicon, as well as fruits and vegetables.

10.2.23 Linyi-Manzhouli-Europe (Linyi)

On October 20, 2015, the first international direct railway freight service from Linyi, Shandong Province, to Hamburg, Germany, was launched. The train started from Linyi, passed through Harbin, transited at Manzhouli, crossed the border into Russia, and arrived in Hamburg, Germany, on November 9. The total distance covered was over 11,000 kilometers, and the journey took 20 days.

10.2.24 China-Europe Railway Express (Tongliao)

On March 25, 2016, the first “Tongliao-Manzhouli-Europe” or “Tongmanou” international container train, designated as 79007, embarked on its inaugural journey from Tongliao Mulu Industrial Park. After exiting at Manzhouli, the train passed through three stations in Russia, including Pridacha, and arrived in Saint Petersburg, Russia, on April 8, according to Beijing time. Covering a total distance of 9000 kilometers, the journey took 15 days, significantly reducing transportation time compared to sea freight, saving nearly 30 days in transit.

10.2.25 China-Europe Railway Express (Nanchang)

Launched on November 24, 2015, the inaugural China-Europe international railway freight service (Nanchang-Rotterdam) departed. The train started from Nanchang Henggang Station, exited at Manzhouli Port, passed through Russia, Belarus, Poland, and Germany, and reached its destination, Rotterdam, Netherlands. The total distance covered was over 12,000 kilometers, and the journey took approximately 17 days.

10.2.26 China-Europe Railway Express (Tianjin)

On November 21, 2016, the inaugural journey of the China-Europe Railway Express from Tianjin to Minsk, Belarus, was launched. Departing from Tianjin and exiting at Erenhot, the train reached its destination, the China-Belarus Industrial Park in Minsk, in just 13 days. This service represented a significant initiative by the Beijing Railway Bureau to support the BRI and promote coordinated development in the Beijing-Tianjin-Hebei region. Importantly, it marked the initiation of the first China-Europe Railway Express route directly connecting Tianjin to Belarus.

On November 30, 2016, the inaugural westbound container train of the Tianjin-Moscow bidirectional international route embarked on its journey from Tianjin Port. This marked the first bidirectional international rail service between Tianjin and Europe. The route, spanning approximately 7600 kilometers, operates in both directions between Tianjin and Moscow, passing through locations such as Erenhot and Mongolia. The estimated travel time is approximately 12 days. Prior to this, on November 23, 2016, the first eastbound train from Moscow to Tianjin commenced, marking the first return train from Europe to Tianjin and filling the gap in “bidirectional heavy container transportation” for the “Tianjin-Europe” train service.

10.2.27 China-Europe Railway Express (Yingkou)

On October 18, 2014, the inaugural international train departed from Yingkou Port to Moscow, signifying the commencement of the first domestic international container train directly traversing Manzhouli Port en route to Moscow. This weekly service completed the entire journey in just 12 days.

On June 12, 2015, the inaugural “Yingkou Port-Warsaw” China-Europe international direct train departed from Yingkou Port in Liaoning Province. The cargo mainly consisted of electronic products such as LCD modules and light guide panels, with a value of €25 million. The train completed the journey in approximately 14 days, covering a total distance of 10,500 kilometers. The service operated twice a week.

On June 25, 2015, the first freight train from Yingkou Port to Tsentrolit, Belarus, was launched. The train traveled 8834 kilometers in 10 days, passing through Manzhouli, Zaybaykalsky, Chita, Ulan-Ude, Novosibirsk, Yekaterinburg, Moscow, and Osinovo, finally reaching Tsentrolit, Belarus. The service operated weekly.

On October 23, 2015, the “Yingkou Port-Kaluga, Russia” China-Europe direct train officially commenced operations. The train departed from Yingkou Port, passed through Manzhouli Port, and traveled through Zaybaykalsky, Chita, Irkutsk, Novosibirsk, Yekaterinburg, Moscow, and directly to Kaluga, Russia, a city known for its automobile industry. The total distance covered was 8400 kilometers, and the journey took 13 days.

On August 6, 2015, the “Yingkou Port- Dobrá, Slovakia” China-Europe international direct train officially commenced operations. The total distance covered was 11,000 kilometers, with a transit time of 15 days. The service operated weekly.

On April 9, 2016, the Yingkou Port TREST Premium Train (Yingkou Port to Khovrino, Moscow) was launched. The train runs once a week, undergoes whole train transshipment at Zaybaykalsky, and is transported without disassembly throughout the journey, with a total transportation time of 10 days. It is the fastest-running train in the history of China-Russian railway transportation.

On April 9, 2016, the first return train of the “Yingkou-Manzhouli-Europe,” known as “Yingmanou,” sea-rail intermodal route arrived at Yingkou Port. This return train, which departed from Krasnoyarsk, Russia, on March 30 and entered China through the Manzhouli Port, significantly increased the freight volume of the “Yingmanou,” enhancing the overall operational capacity and market competitiveness of the entire logistics route.

10.2.28 China-Europe Railway Express (Dalian)

In January 2016, the “Samsung” train, starting from Dalian, Liaoning Province, and passing through the Manzhouli Port, was inaugurated, providing a direct route to Kaluga, Russia. This marked the world’s first train named after a company, signifying the formal commencement of the China-South Korea-Russia international logistics corridor. Currently, the “Samsung” train operates regularly with three services every month.

On May 18, 2016, the international train service from Dalian Port Railway Center Station to Minsk, Belarus, was officially launched. The train departs from Dalian Port, exits through the Manzhouli Port, and ultimately arrives at the China-Belarus Industrial Park, a Chinese investment project in Belarus.

On July 20, 2016, the Dalian-Moscow train service commenced its operations from Dalian Port Railway Center Station. Following the “Samsung” and Minsk trains, this marked the official opening of the “Liaoning-Manzhouli-Europe” or “Liaomanou” commercial vehicle transit train route from Dalian Port. The train traveled from Manzhouli to Moscow, covering a total distance of 8600 kilometers with a transit time of approximately 12 days. On this occasion, 120 premium Great Wall Haval vehicles were transported from Hebei Province to Dalian Port, and, after loading in Dalian, they were directly shipped to Moscow via the “Liaomanou.”

10.2.29 China-Europe Railway Express (Ganzhou)

On April 23, 2017, the first China-Europe Railway Express from Bazaikha, Russia, arrived in Ganzhou, Jiangxi. The train originated from Bazaikha, passed through the Manzhouli Port, and traversed several provinces and autonomous regions including Inner Mongolia, Heilongjiang, and Liaoning, before reaching Ganzhou Port, covering a total distance of over 7000 kilometers. This marks the official launch of the return journey of the China-Europe Railway Express from Jiangxi Province, adding another international logistics channel to enhance economic and trade interactions between China and Russia.

10.2.30 China-Europe Railway Express (Manzhouli)

On March 25, 2016, the first train departed from Manzhouli Port in Inner Mongolia, carrying 43 containers. The train, named “Manzhouli-Russia-Europe” or “Maneou,” embarked on an approximately eight-day journey, reaching its destination in Yaroslavl, Russia.

10.2.31 China-Europe Railway Express (Guiyang)

On July 1, 2015, the inaugural departure of the “Guizhou-Shenzhen-Europe,” known as “Qianshenou” international sea-rail intermodal train China-Europe Railway Express (Guiyang-Duisburg) commenced officially. Initially, two trains regularly operated each week. Starting from Guiyang Gaimao Railway Station, the route followed the Chongqing-Guiyang Railway to Chongqing, where it merged with the “Chongqing-Xinjiang-Duisburg,” or “Yuxin’ou” international rail freight service. The journey continued through Chongqing, Xi’an, Lanzhou, Urumqi, and proceeded westward through Kazakhstan, Russia, Belarus, and Poland before reaching Duisburg, Germany. The total length of the route was approximately 11,200 kilometers, with a transit time of around 16 days.

10.2.32 China-Europe Railway Express (Taiyuan)

On February 15, 2017, the inaugural China-Europe Railway Express (Taiyuan-Lesosibirsk) commenced its journey. Originating from Zhongding Logistics Park in Taiyuan Railway Bureau, the train journeyed through the Manzhouli-Zabaykalsky border station and eventually arrived at Lesosibirsk station in Krasnoyarsk Krai, Russia. Covering a total distance of 6000 kilometers, with 2491 kilometers within China and 3509 kilometers outside China, the train reached Manzhouli on February 20 and arrived in Lesosibirsk in early March.