## The Belt and Road Initiative (BRI) and the China Railway Express: New Developments in International Logistics

## LI Ruixue

Professor, Faculty of Business Administration, Hosei University

The regular rail container transportation service linking China and Europe called the "China Railway Express" [Chinese: 中欧班列, ZhongOu banlie]; Japanese: 中欧班列, ChūŌ hanretsu] is regarded as a symbolic project within the Belt and Road Initiative (BRI), and is attracting attention in Japan, too. In much of the Japanese media the China Railway Express is translated as "中欧鉄道" [Japanese: ChūŌ tetsudō; literally in English: China-Europe Railway], but it is a translation that could lead to misunderstanding. The Chinese term banlie, in the context of regular trains, does not carry the meaning of a substructure of rails. It is akin to the difference between a fixed route bus and the road. The beginning of physically linking up the railways of China and Europe harks back to 1903 with the completion of the Chinese Eastern Railway. In order to avoid any misunderstanding, the author doesn't follow the "China–Europe Railway" translation, but uses China Railway Express as the proper-noun term.

There is one other misunderstanding. Many people recognize the China Railway Express as a project that was begun as a part of the Belt and Road Initiative (BRI). That is not true. In fact, the initial China Railway Express (called "YuXinOu" [Chongqing–Xinjiang–Europe] as it departs from Chongqing, passes through Alashankou in Xinjiang, and arrives in Duisburg in Europe) went into operation on 19 March 2011, yet the Belt and Road Initiative was suggested approximately two years after that.

The China Railway Express which had been going on a small scale for the roughly three years up to 2013 showed a rapid expansion immediately after the announcement of the BRI. The performance results for 2013 were only 1.5 services a week, with 80 trains for the year, but grew explosively with 308 trains in 2014, 815 in 2015, 3,673 in 2017, and 6,300 in 2018.

The China Railway Express currently has a total of 61 service routes and connects 56 cities in China with 49 cities in 15 European and Central Asian countries. The China Railway Express which departs from such cities as Chongqing, Chengdu, Xi'an, Zhengzhou, Wuhan, Yiwu, and Suzhou, has realized practically daily services (more than one train a day), and its frequency is higher than the weekly services (more than one service a week) for overseas maritime shipping.

The freight transported on the China Railway Express has diversified from the initial electronic machinery to dozens of kinds of goods, including finished vehicles, automotive components, foodstuffs, textiles, everyday commodities, beverages, and timber. The European wine, beverages, dairy produce, and meat brought into China by the China Railway Express are crowded together in import exposition halls adjoining every railway station. On Saturdays and Sundays they are always heaving with residents coming to shop there. China's wholesalers and e-commerce buyers are constructing hubs one after another in cities along the routes of the China Railway Express in Europe, and aiming to expand their business. The East–West extent of the Eurasian continent has been shortened in one fell swoop by the China Railway Express, and in China and Europe a previously non-existent sense of proximity has sprouted up.

The China Railway Express, as it is cheaper than international air transport and faster than international maritime transport, is a mode of international transportation positioned between international air transport and international maritime transport, and a separation of niches among the modes is expected. The local governments which operate the China Railway Express rate it as a kind of public property, offering it to import–export industries, and have been undertaking generous financial support without any thought. In addition to direct financial instruments, such as subsidies, they don't spare support in the area of infrastructure development either, including making rail-freight stations international inland-ports.