

**Joint Statement  
of the Third China-Japan-Korea Ministerial Conference  
on Transport and Logistics**

13 May 2010, Chengdu, China

1. We, the Transport and Logistics Ministers of China, Japan and Korea, held the 3<sup>rd</sup> Ministerial Conference in Chengdu, China on May 13-14th, 2010, and exchanged views and held valuable discussions on the progress and future work of the Action Plans, which were agreed upon in the first Conference in 2006 and the second one in 2008 among the three countries.
2. We recognized that:
  - 1) Nowadays, Northeast Asia is one of the centers of the world economic activities. The total aggregated GDP of the three countries is approximately 17% of the world economy, and the total value generated by the three countries approximately USD 4.5 trillion, 14% of the world trade value in 2008. Even though the trade among the three countries dropped due to recent economic crisis, it is recovering. It is essential to further substantial cooperation among the three countries in the transport and the logistics sectors to push forward the development of transport network in Northeast Asia, for the purpose of creating a seamless logistics system.
  - 2) Given the importance of reducing CO<sub>2</sub> in transport and logistics activities, we should strengthen cooperation to establish environmentally friendly logistics in Northeast Asia.
  - 3) While various security measures are being required for international logistics, we should enhance cooperation to maintain balance between cargo security and logistics efficiency.
  - 4) Therefore, the leaders of the three countries have been attaching great importance to the progress of the China-Japan-Korea Transport and Logistics Ministerial Conference. Under the mechanism of China-Japan-Korea Transport and Logistics Ministerial Conference, the implementation of 12 action plans by the three countries, aiming at realizing a seamless logistics system, environmentally-friendly logistics and balance between security and efficiency of logistics has obtained satisfactory periodical outcomes.

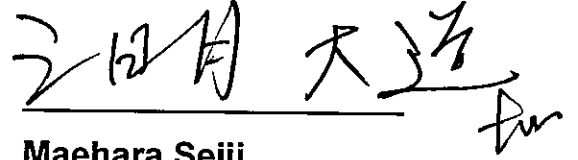
- 5) Enterprises are main players to push forward the logistics cooperation among the three countries. China-Japan-Korea Logistics Development Forum has provided a communication platform for exchange and cooperation between governments and enterprises. We highly appreciate this cooperation model and give positive assessment.
3. During the Conference, with the spirit of mutual benefit and cooperation, we exchanged views on the three agreed goals confirmed in the second Ministerial Conference, endorsed the "Progress and Future Work of the Action Plan", which is attached in the Annex, and agreed to accomplish the following cooperation actions in the near future:
    - a) *Creation of a seamless logistics system*
      - (1) We will endeavor to overcome existing barriers caused by regulatory policies to create conditions for the implementation of returnable pallet system, which aims at saving logistics costs and improving logistics system within the three countries. We will also publish the investment guide book for logistics corporations to remove the obstacles related to entry regulation in the logistics market and to promote the overseas business activities (As reflected in Action Plan 1).
      - (2) The international intermodal transport plays a very important role in international logistics among the three countries. We will endeavor to create a seamless logistics by a comprehensive approach including mutual access of trailer chassis to smooth connectivity between international maritime transport and domestic transport among the three countries. We are satisfied with the progress made in the sea-land combined transportation cooperation between China and Korea. We agreed to establish a joint working group to study the possibility of the implementation of pilot projects of sea-land combined transportation among the three countries and other nearby countries which can lead to the realization of seamless logistics (As reflected in Action Plan 2).
      - (3) For the purpose of sharing logistics-related information among the three countries, we will establish the internet based logistics information system through a logistics information exchange mechanism and researches on standards. We will establish the Northeast Asia Logistics Information Service Network to promote the interconnection of logistics information systems among the three countries and support the research institutes of the three countries to conduct joint researches on the international electronic freight management. We entrust the existing Working Group responsible for Action Plan 3 to study and put forward, as early as possible, the specific proposals on the establishment of the Network. Furthermore, we will make efforts to promote the integration of air freight transport information and statistics into the information flow of logistics chains (As reflected in Action Plan 3,4).

- (4) We share the common understanding that standardization of logistics equipment would contribute to the establishment of seamless logistics system in Northeast Asia. We evaluated the achievement to set 1100 x 1100mm and/or 1000 x 1200mm as the standard pallet size for intermodal transport. We will continue cooperation in further promoting standardized pallets. Also we will make further efforts toward the promotion of the standardized 20ft and 40ft containers. Giving consideration the advantages of 12ft containers in transporting relevantly small cargoes, we will explore the possibility of the promotion of 12ft container (As reflected in Action Plan 5).
- b) *Establishment of environmentally friendly logistics*
- (1) We are promoting measures toward the establishment of environmentally friendly logistics. Under the recognition that global warming is one of the great global challenges, we promise to make even more efforts to reduce the emission of green house gases by logistics activities. In order to accomplish this goal, we will strengthen cooperation in green logistics, especially in the road transport and maritime/port sectors (As reflected in Action Plan 10).
  - (2) We agreed to enhance joint studies and exchanges on regional logistics planning in Northeast Asia, Green Logistics, advanced logistics technologies and supply chain management and establish long-term joint studies mechanism (As reflected in Action Plan 4, 8, 10).
  - (3) 3PL business market has been growing in the three countries so as to meet expanding customers' needs for advanced and diversified logistics services. We recognized that the promotion of the 3PL business contributes to provide the efficient and environmentally friendly logistics system. We will continue to facilitate 3PL business, and develop mutual cooperation on this issue at both government and private sector level (As reflected in Action Plan 11).
- c) *Achievement of balance between security and efficiency of logistics*
- (1) We will strengthen cooperation in logistics security through an end-to-end visualized management of the logistics chain by the application of advanced technologies, such as RFID (As reflected in Action Plan 7).
  - (2) We will encourage establishing a demonstration tracking system and standard system for end-to-end visualized management of logistics among the three countries (As reflected in Action Plan 7).
- d) *Other relevant areas*
- (1) We are making positive efforts to improve policy and regulatory environment for logistics enterprises. We will continuously support our enterprises to conduct efficient and low-cost overseas business activities, and collaborate with other government agencies, if needed (reflected the contents of Action Plan 1).

- (2) We have endorsed the report from the Northeast Asia Port Director-Generals' Meeting for close cooperative relations among ports. As next three-year research project, we initiated studies on the following two themes:
    - i) Green Port Strategy for Sustainable Development: Reducing Gas Emissions and Enhancing Energy Efficiency, and
    - ii) Measures to Prevent Coastal Disasters Considering the Global Warming in the Northeast Asia (reflected the contents of Action Plan 6,9).
  - (3) With the recognition of the necessity to integrate the logistics system in Asia-wide, we will explore the logistics cooperation jointly with the ASEAN, and the possibility of carrying out the Unit Load System Training Program as a pilot project and the establishment of ASEAN and China, Japan and Korea (10+3) Transport Ministerial Conference mechanism (As reflected in Action Plan 12).
  - (4) We recognize that it is essential to enhance safety on container transport in order to promote international intermodal transport. Therefore, we agreed on cooperating to prevent accidents of trailers carrying international containers.
  - (5) We will establish a long-term training mechanism for personnel exchange programs, so as to share information on policies, laws and regulations, technologies and management expertise in the field of logistics.
  - (6) We promised to maintain close communications, deepen exchange and conduct cooperation program among the government agencies and enterprises in the logistics sector, institutions and universities for the implementation of the projects. We will facilitate the implementation of the measures in the Action Plans, and explore other issues related to logistics.
4. As a part of the 3<sup>rd</sup> Ministerial Conference, China wishes to host the China-Japan-Korea Logistics Development Forum in Hangzhou in the autumn of 2010, with the establishment of the Northeast Asia Logistics Information Service Network as one of the major topics. China cordially invited Japan and Korea to participate in the event.
  5. We agreed that the next Ministerial Conference will be held in Korea.
  6. The Japanese and Korean Ministers expressed their appreciation to the Chinese side for the organization of this Ministerial Conference and the hospitalities rendered to their delegations.

*Annex: 2010 Progress and Future Work Sheets of the Action Plan*

**For the Ministry of Land, Infrastructure,  
Transport and Tourism of Japan**

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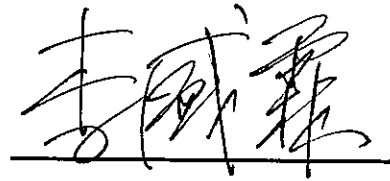
**Maehara Seiji**  
**Minister of Land,  
Infrastructure,  
Transport and Tourism**

**For the Ministry of Land, Transport and  
Maritime Affairs of the Republic of Korea**

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**Chung Jong-Hwan**  
**Minister of Land,  
Transport and  
Maritime Affairs**

**For the Ministry of Transport  
of the People's Republic of China**

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**Li Shenglin**  
**Minister of Transport**

## ANNEX

### 2010 Progress / Future Work Sheets

#### Action Plan 1

#### Improvement of inappropriate logistics related institutions and systems and establishment of solutions to the problems in making inroads into the foreign countries

Any impediment that private companies face in overseas operation in the three countries will be identified, and if necessary, each relevant country can be called on to develop improvement measures.

#### Progress/ Future Work

Recognizing that logistics enterprises' cross-border operation plays an important role in establishing a more efficient logistics system in Northeast Asia, China, Japan and Korea (hereinafter referred to as "the three countries") have made efforts to ease regulations on logistics enterprises.

Based on this understanding, the three countries will continue their endeavors to support logistics enterprises in maintaining low-cost logistics system and effective overseas business activities. Especially in Northeast Asia where the logistics industry has been rapidly growing, improvements should be first made in inappropriate logistics system, poor policies on foreign companies' entry into logistics businesses and complicated procedures.

To consider the countries' differences such as in regulation, social and cultural environments, and accomplish these improvements, the three countries agree to conduct a joint-study on the '(1) returnable pallet system' to the system in Northeast Asia and publish the '(2) Investment Guide book for Logistics Businesses' for freer investment and entry into each other's logistics markets.

##### (1) Returnable pallet system

Returnable pallet system is very important in cutting logistics cost and improving the environment in the three countries. However, the prerequisite is recognizing what occurs in the domestic and international logistics markets after adopting the system in Northeast Asia. In this respect, the three countries will carry out a joint-study and encourage consultations between each logistics bodies and customs bodies for an effective application of the system in Northeast Asia without any interruptions in the logistics system.

##### (2) Investment guide book for logistics corporations

Investment guide book for logistics corporations is the first step in making efforts to overcome obstacles related to entry of each logistics markets of the three countries' logistics enterprises. It will provide useful information on how successfully enter into the markets. After publishing it, the three countries will make efforts to find more advanced ways to ease the obstacles related to entry regulation in the logistics markets.

Ministries participating in the Ministerial Conference on Transport and Logistics (hereinafter referred to as "the Ministerial Conference") agree to reduce logistics costs, develop an environmental-friendly logistics system and improve entry regulations and procedures in the logistics market by implementing the ways.

On top of that, based on shared recognition, we will step up their collective efforts to improve logistics regulations and procedures, and resolve any problem in logistics businesses overseas operation.

## **Action Plan 2**

### **Creation of conditions to realize the seamless logistics system in Northeast Asia**

The three countries will exchange their views on measures to create the foundation to realize the seamless logistics system in Northeast Asia, and conduct the research of mutual access if trailer chassis in Northeast Asia.

### **Progress/ Future Work**

The intermodal transport by RORO ships / Ferries plays very important role for international logistics among the three countries. While, RORO ships/Ferries in three countries are carrying a lot of chassis with container cargo, current status of access of foreign trailer chassis is different among three countries. Under the situation, a Working Group (WG) was established to carry out further out research on mutual access of trailer chassis in 2008. The research on mutual access of trailer chassis covers 1) the research on legislation among the three countries, 2) the analysis of advantage and disadvantage, and 3) the evaluation of the pilot project between Korea and China.

Among the three countries, there is difference in three countries legislations for trailer chassis regarding structural restrictions, registration, periodic inspection, daily check, car insurance, tax, and permit for truck business.

The advantage of the mutual access of trailer chassis is reduction of lead time and cost, enhancement of transport quality, decrease of the environment burdens etc, and it is expected to create a new need. On the other hand, the disadvantage is the increase in the cost for management and adaption of trailer chassis for mutual access. In addition the logistics cost could increase by imbalance between import and export.

The pilot project of mutual access of trailer chassis between China and Korea was implemented. The pilot project resulted in certain advantage, meanwhile the problem was that vacant trucks could increase cost due to imbalance.

Various differences exist in the three countries legislation for trailer chassis. Additionally, other differences may exist in passing customs, tax systems, and traffic restrictions for mutual access of trailer chassis. Therefore, three countries need to give careful consideration to mutual access of chassis trailer.

While the three countries have become more closely dependent on one another as the gross volume of the trade among three countries has been expanding, three countries should work on the creation of seamless logistics by smooth connectivity between international maritime transport and domestic transport.

Under the recognition, three countries will strengthen the cooperation to create a seamless logistics by comprehensive approach toward more efficient international integrated transport including mutual access trailer chassis.

With the joint efforts of China and Korea, the relevant ministries of both countries, have reached consensus on and initialed the Agreement between the Government of the People's Republic of China and the Government of the Republic of Korea on Sea-Land Intermodal Freight Vehicle Transport and its Protocol, which will provide a legal framework for the implementation of the mutual access of trailer chassis of between China and Korea. These two documents are hopefully to be signed in 2010.

We agreed to establish a joint working group to study the possibility of the implementation of pilot projects of sea-land combined transportation among the three countries and other nearby countries which can lead to the realization of seamless logistics.

### **Action Plan 3**

#### **Efforts to establish an inter-connected logistics information network between the three countries**

The three countries will make efforts to build an effective inter-connected logistics information network.

#### **Progress/ Future Work**

The three countries share a common understanding that this cooperation mainly focuses on the establishment of a logistics information network system. We recognize that it is strongly needed to establish such a network system, with which governments and private companies can access logistics-related information among the three countries. For the purpose of sharing logistics-related information among three countries, we will establish the internet based logistics information system through a logistics information exchange mechanism and research on standards.

Three countries shared and evaluated each country's logistics information system and the efforts, and China designed and framed the "CHINA-JAPAN-KOREA LOGISTICS INFORMATION NETWORK PLATFORM ". Registered the website [www.cjk-logistics.com](http://www.cjk-logistics.com). We will continue to discuss what kind of information should be shared and how, and explore toward the realization of this idea and plan, considering the difference of each countries' logistics information system.

We will establish the Northeast Asia Logistics information Service Network, to promote the interconnection of logistics information systems among the three countries and support the research institute of the three countries to conduct joint researches on the international freight management .Those who need such information service will be able to share the logistics data and information that discussed and confirmed by the three countries.

The future work is to draft the regulations of the Northeast Asia Logistics Information Service Network and to study and put forward, as early as possible, the specific proposals on the establishment of the Network.

This WG will collaborate with experts' study among the three countries which deals with contents of and ways to use logistics information to be shared as described in Action Plan 4.



## **Action Plan 4**

### **Exchange of information on maritime transport and logistics in Northeast Asia**

The three countries will support an experts' study for establishing a database on maritime transport and logistics in Northeast Asia and review the outcome of the study on it. In addition, the three countries will examine possible solutions to exchange the statistical data in the maritime transport and logistics field.

### **Progress/ Future Work**

The three countries exchanged the statistics of logistics in Northeast Asia. They recognized that the standards of logistics data are different and the traffic flow data is inconsistent. Therefore, unified standard should be made through comparison of different standards and process in China, Japan, and Korea. The Working Group studied the application of the data in reducing the environmental impact of shipping, creating high value-added logistics service system and constructing the efficient transport network system among China, Japan, and Korea. They recognized that it is necessary to construct the efficient logistics information network system among the three countries.

Suggestions for the future work are the following:

1. Establishing China-Japan-Korea logistics information research center;
2. Publishing annual statistics of logistics report of China, Japan, and Korea
3. Establishing Northeast Asia Logistics Information Service Network

## **Action Plan 5**

### **Standardization of logistics equipment**

The three countries can jointly study the issue of standardizing and promoting logistics equipment including the domestic cargo containers which are being used in the three countries.

### **Progress/ Future Work**

The three countries shared the common understanding that standardization of logistics equipment would contribute to establish a seamless logistics system in Northeast Asia, and have made efforts toward the promotion of containers, and standardization of pallet sizes.

#### **(1) Containers**

12ft containers are appropriate to transport relatively small cargo such as electronic parts frequently because the container is smaller than ISO 20ft/40ft container. And 12ft containers are suitable for Japanese railway transport, so Sea&Rail or Sea&Rail&Sea transport with 12ft containers are increasing. Therefore, the needs of international transport with 12ft containers between Japan and China has been expanding recently, while 12ft containers have been used for international transport between Japan and Korea partially.

However, there are some problems on 12ft container transport such as weak recognition of 12ft characteristics, insufficient applicability to custom clearance system, less interoperability of equipment with ISO containers. Once the private sector usage of the container should be preceded, it is discussable to conduct further study on standardization of the container. Therefore, we will make efforts to overcome the problems toward promotion of 12ft container transports, but not aiming at the standardization. In addition, we will conduct further study on the establishment of efficient intermodal transport system including Sea&Rail and Sea&Rail&Sea with 12ft containers, as well as support to implement pilot projects on 12ft containers tracing by logistics companies among the three countries.

We will make further efforts toward the promotion of the standardized 20ft and 40ft containers.

#### **(2) Pallets**

While various pallets sizes are being used, three countries achieved to set 1100 x 1100mm and/or 1000 x 1200mm as national standard for intermodal transport. We evaluated the efforts on the standardization of pallets size, and will work on the further promotion of standardized pallets. In addition, we agreed that we will make efforts toward promotion of to Inter-countries transfer with Pallets in three countries as well as standardization of pallet size in other Asia countries, collaborating with experts and agency concerned.

## **Action Plan 6**

### **Promoting close cooperative relations among ports**

The three countries can further strengthen close cooperative relations among ports in the three countries through Northeast Asia Port Director-General Meeting.

### **Progress/ Future Work**

The 10th Northeast Asia Port Director-General Meeting was held in Tokyo, Japan, on September 17, 2009. The three countries exchanged their views and opinions on various port issues.

#### 1. Exchange of Information

Three countries made presentations on the theme of "Impact of the Economic Crisis on Port Activity and Port Policy Measures to Cope with the Crisis". They exchanged information which was extremely useful for improving understanding of each other, and reached consensus, under the background of the global financial, on continuous promotion of port infrastructure construction, investment in new areas such as environment of the ports and the implementation of relevant policies on dealing with the global financial crisis.

#### 2. Report of the Current Joint Study Outcomes

Participants of the Joint Study Working Groups presented the draft final reports of the joint studies accomplished during the past three years. The titles are as follow;

WG1 : Promoting Close Cooperative Relations among Ports

WG2 : Technology for Harbor Siltation and Beneficial Use of Dredged Material

WG3 : Typhoon Induced Harbor Hazard Reduction in the Northeast Asia Region

#### 3. Themes for New Joint Studies

Three countries agreed that the following joint studies on two themes would be implemented.

WG1 : Green Port Strategy for Sustainable Development : Reducing Gas Emissions and Enhancing Energy Efficiency.

WG2 : Measures to Prevent Coastal Disasters Considering the Global Warming in the Northeast Asia Region.

#### 4. Confirmation of Continued Corporation

Three countries confirmed that they would continue to actively exchange their views on port-related issues and if necessary they would make joint efforts toward resolution of them through opportunities such as the North East Asia Port Director-General Meeting.

#### 5. The Next Director General Meeting

11th North East Asia Port Director-General Meeting will be held in Korea, in October, 2010

## **Action Plan 7**

### **Measures to balance between logistics security and efficiency**

The three countries seek a balance between logistics security and efficiency while promoting mutual cooperation for a joint response to the international logistics security issues. The three countries will examine the usefulness of maritime logistics security system by expanding the on-going RFID-based pilot project.

### **Progress/ Future Work**

In the aftermath of the 9.11 terrorist attacks, logistics security has become a priority globally and thus countries as well as international organizations have reinforced various logistics security measures. In this context, the three countries have carried out logistics security measures by adopting ISPS codes of IMO, AEO system of WCO, logistics security management system of ISO (ISO 28000) to meet their respective conditions.

The three countries face growing international demand to enhance the level of logistics security due to the increase of human and goods exchange. However, since a strengthened logistics security may affect the effective flow of freights, it is important to maintain balance logistics security and efficiency.

The three countries will examine relevant conditions through a test operation of a RFID-based logistics security system. The three countries will also jointly respond to the changing logistics security environment through the expert group meeting on the logistics security and joint study.

The three countries will hold a joint expert group meeting for logistics security in late of 2010 to share experience and ideas on logistics security system, security personnel training program, dangerous cargo handling and the adoption and expansion of RFID system in respective countries.

In order to balance between logistics security and efficiency, the three countries should strengthen tripartite cooperation in logistics security, and at the same time, ensure that necessary security measures do not impede the efficient and uninterrupted flow of cargo.

## **Action Plan 8**

### **Promoting mutual exchanges, cooperation and joint research**

The three countries endeavor to develop a joint research guideline to conduct joint studies for logistics cooperation in Northeast Asia more systematically.

### **Progress/ Future Work**

With an aim to promote tripartite logistics cooperation among China, Japan and Korea, the Ministerial Conference selects subjects that require cooperation and promotes co-research and cooperation in such fields.

Under Action Plan 4, the joint research project on "Sharing and utilizing logistics information among China, Japan, and Korea" is being conducted by the Waterborne Transportation Institute (WTI) in China, National Maritime Research Institute (NMRI) in Japan and Korea Maritime Institute (KMI) in Korea.

In relation to Action Plan 6, the joint study on "Promoting Close Cooperative Relations among Ports" is being conducted. Many research institutes such as WTI and the China Academy of Transportation Sciences (CATS) from China, the Overseas Coastal Area Development Institute (OCDI) and the Waterfront Vitalization and Environment Research Center (WAVE) from Japan, and KMI from Korea are participating in the joint study.

As for Action Plan 7, the pilot project of tracking container has been conducted between China and Korea since late 2009.

Under Action Plan 8, the three countries will make efforts to effectively perform a joint study in a more systematic and regular manner by developing 'Joint Logistics Study Guideline, aiming to boost logistics cooperation among the three countries.

The Guideline will include budget allocation, job description of each participant, process of conducting joint study, and contact information of relevant research institute, government party, associations, and etc.

Under Action Plan 8, to facilitate such joint studies and logistics cooperation in Northeast Asia, the three countries will continue to encourage the participation of relevant research institutes, organizations and associations.

To support those efforts, the three countries tried to hold working group seminars to disseminate information on best practices and to identify and develop topics of the joint study.

The three countries also welcome the participation of experts from the private sector in a joint logistics study expert meeting in order to increase the participation and the utilization of the private sector in exchanges and cooperation in logistics among the three countries.

## **Action Plan 9**

### **Sharing the outcomes of discussion in the field of logistics reported from Northeast Asia Port Director-General Meeting and other meetings**

The three countries will report the outcomes to the 'Ministerial Conference', with respect to logistics discussed in the trilateral meetings, which include Northeast Asia Port Director-General Meeting.

### **Progress/ Future Work**

The summary of promoting close cooperative relations among ports is as follows:

Sub-Theme 1 : The study on promoting international maritime Unit-Load transportation network in Northeast Asia

1.1 China: Promoting the International Shipping Industry in Providing Better Environment or System

- Promoting formation of free trade area (FTA)
- Enhance customs clearance efficiency
- Improve port distribution system
- Standardizing container and pallet sizes
- Construct uniform port information system
- Establish port alliance

1.2 Korea: Measures to revitalize intermodal transportation between Korea, China and Japan

- Mutual authorization system for logistics security
- customs clearance system
- Development and operation of Korea-China-Japan mutual logisticswarehouses

1.3 Japan: Present Conditions and Future Approaches on the Development of a High-speed Seamless Distribution Network in Northeast Asia

- Realizing efficient cargo transport by combining railway transport and sea transport (sea & rail project)
- Assigning terminals next to container terminals for domestic shipping and allocating dedicated terminals for feeder vessels in order to achieve integrated operation of international and domestic terminals
- Promotion of LCL export and import services by installing LCL transshipment depots
- Standardization of 12-foot containers

Sub-Theme 2: Improving the logistics network system in the Northeast Asia by removing the barriers of logistics and strengthening the port alliance

2.1 China : Policy Proposal for Making Seamless Logistics Networks Between China, Japan and Korea and Social Experiment for Port Alliance

- Promote international intermodal transportation system
- Promote the standardization of logistics system
- Enhance the port logistics information system
- Develop and implement medium-long term practical plans
- Strength the government support
- Encourage social experiment for port alliance

2.2 Korea: How to build a port alliance among Korea, China, and Japan for logistics cooperation(Work to be done by each country)

- China : Needs to standardize different customs etc
- Korea : Needs to simplify procedures and provide one-stop service etc

### 2.3 Japan : Present Conditions and Future Approaches on the Simplification and Computerization of Port-related Procedures and Application of ICT (Information and communications Technology)

- Requesting port managers to continuously use standardized model forms for procedures related to ships and port facilities
- Improving of standardized model forms in response to the next-generation single window
- Developing a common and standardized in-out cargo control system (nationwide information processing system, common ID card, etc.)
- Obtaining ship information on a real-time basis using AIS

### Sub-Theme 3 : Promotion of harmonized development of port logistics and industry

#### 3.1 China : Consideration of the direction of close cooperative relations among ports in promoting the international shipping industry in providing better environment or system

- Promoting formation of free trade area (FTA)
- Enhance clearance efficiency
- Improve port distribution system
- Standardizing container and pallet sizes
- Construct uniform port information
- Construct uniform port information system
- Establish port alliance

#### 3.2 Korea : Suggestion for developing port and industry of three countries

- Making collaborative business models to reinforce intra trade among three countries
- Easing entry barriers among three countries
- Building Northeast Asia Port Cluster

#### 3.3 Japan : Present Conditions and Future Approaches on the Vitalization of Coastal Industries

- Operating wharfs in an integrated form by private business entities and strengthening the linkage with adjacent coastal industries to form "coastal industry area" for efficient industrial distribution
- Establishing deep-draft international bulk terminals
- Development of public wharfs handling recyclable resources in recycle port
- Development of storage facilities for recyclable resources in recycle port

## **Action Plan 10**

### **Establishing environmentally less burdensome logistics policies**

The three countries will exchange their views on the environmentally less burdensome logistics policies.

### **Progress/ Future Work**

The three countries recognize that logistics activity is one of the causes of emission of greenhouse effect gases.

Based on this recognition, the three countries are promoting measures toward the reduction of greenhouse effect gases resulted from logistics activities. Such measures can be called "Green Logistics Policy".

Main measures for green logistics in Japan are as follows:

- 1) Promotion of advanced clean energy trucks by provision of tax breaks, improvement of fuel efficiency by introduction of top-runner fuel efficiency target, etc, in the road transport sector;
- 2) Promotion of efficient vessels by joint-owner finance scheme, introduction of external power system, introduction of hybrid transfer cranes system, etc, in the maritime transport and port sector;
- 3) Improvement of freight railway capacity in the railway sector;
- 4) "Green Logistics Partnership Conference", established in 2005, providing subsidy to various projects such as modal-shift from trucks to railway or maritime transport, and collaboration among different shippers and logistics firms;
- 5) The amended "Act on Rational Use of Energy", requiring designated logistics firms and manufacturing firms to submit to a five year plan to improve energy efficiency by more than 1% annually.

Main measures for green logistics in Korea are as follows:

- 1) Construction of container inland depots, establishment of logistics information collection system, installment of LNG fuel device, etc, in the road transport sector;
- 2) Enhancement of price competitiveness by reduction of port facilities charge, increase of tax free fuel supply and fuel subsidies, promotion of shift from diesel to electricity in power supply for transfer crane, etc, in the maritime transport and port sector;
- 3) Enhancement of capacity for the rail system by improvement of infrastructure, based on the designed action plan for reinvigoration of rail logistics transport, in the railway sector;
- 4) Promotion of realignment of logistics facilities under the "Act on Development and Operation Logistics Facilities".

Korea also plans to carry out "Green Logistics Certification System" in 2010. This includes setting up a 'consultative body' among freight owners, logistics companies, related organizations, academic circles and the government which offers subsidies to promote modal shift.

Main measures for green logistics in China are the establishment of a compulsive standard on 'Operation of cargo vehicle limit fuel consumption and measurement', promotion of the improvement of driving behavior, and research and development on transport management demands and on the logistics information system.

The three countries confirmed and evaluated each country's efforts in green logistics, and, under the recognition that global warming is one of the great global challenge, the three countries promise to make even more efforts to reduce emission of greenhouse gases by logistics activities. In order to accomplish this goal, the three countries will strengthen cooperation in green logistics, especially in the road transport sector and maritime/port sectors.



## **Action Plan 11**

### **Creation of conditions to facilitate the 3PL Business**

The three countries will introduce the status of promoting the advanced 3PL business in each country and exchange their views on creating conditions to facilitate the 3PL business.

### **Progress/ Future Work**

In general, Third Party Logistics (3PL) business can be defined as the business to undertake outsourced logistics service in parts and all of their supply chain management by providing high-valued logistics service and consulting for efficient supply chain management based on customers' needs. 3PL business is beneficial for an efficient and environmentally friendly logistics system, therefore 3PL market has been growing in three countries so as to meet expanding customers' needs for advanced and diversified logistics service.

Meanwhile, toward further promotion of 3PL business, it is essential to develop human resources to provide advanced logistics service for the customers' need. Besides, proper partnership between logistics providers and shippers and promotion of the logistics facilities improvement are necessary.

In Japan, to facilitate 3PL business, the government has promoted the "3PL Human Resource Development Program" in cooperation with related associations since 2004, and formulated three guidelines on 3PL business in 2007 and 2008. To promote the activities of 3PL business, the "Act of Logistics Integration and Efficiency" was established in 2005 to support logistics companies to provide comprehensive logistics which cover transportation, storage, and other value-added services and to integrate logistics facilities.

In Korea, to facilitate 3PL business, the government introduced "Certification Scheme of Integrated Logistics Company" with financial and business support. 30 Integrated companies (consortium) are certificated as of 2009. The government promotes 3PL consulting support project with financial support and tax reduction to shippers in use of 3PL. And the government gives practical education to cultivate logistics professionals, and designate Graduate school of logistics and operate logistics master, global logistics master and executive program.

In China, to facilitate 3PL business, interdepartmental joint meeting scheme was established among ministries and administrations of the central government in 2005. The government promotes research and education on 3PL business, and is developing logistics facilities.

Recognizing that promotion of the 3PL business contributes to provide the efficient and environmentally friendly logistics system, three countries will make efforts to facilitate 3PL business, and develop mutual cooperation on this issue at government and private level.

## **Action Plan 12**

### **Strengthening cooperation with the ASEAN in the future**

The three countries will explore the possibility of cooperation with ASEAN in the field of maritime transport and logistics in the future through the Ministerial Conference.

### **Progress/ Future Work**

To strengthen cooperation with the ASEAN in the field of logistics, the three countries exchange their views and information by taking advantage of high-level meetings with the ASEAN such as the ASEAN Transport Ministers Meeting (ATM).

The three countries should further exchange experiences and information in their cooperation with ASEAN, and promote the establishment of efficient logistics system between Northeast Asia and the ASEAN. In spite of different stages and interest in the process of cooperating with the ASEAN, the three countries should identify common interest in the logistics field.

In this respect, the three countries should explore the possibility of future cooperation with the ASEAN and continuously seek various cooperation measures. In particular, as part of joint cooperative efforts in the field of logistics, the three countries propose to jointly develop a pilot project of the ASEAN unit-load system training program, together with surveying for the logistics systems of ASEAN.

The ASEAN unit-load system training program is to share our knowledge and experiences related to utilizing container and palette in the logistics field. We have used the unit-load system long time ago. It is useful tool to unify logistics system between Northeast Asia and ASEAN.

In order to implement an ASEAN unit-load system training program, the three countries will hold a joint seminar to discuss future direction and the demand of ASEAN for the project attended by experts from each country including the private sectors and organization, etc.

We will also expand and share the best practices of logistics cooperation with the ASEAN in the various fields of logistics. We will explore the logistics cooperation jointly with the ASEAN, and the possibility of the establishment of ASEAN and China, Japan and Korea (10+3) Transport Ministerial Conference mechanism.