

**Presentation of the P.R.China at the Twelfth Meeting of
the GMS Sub-regional Transport Forum (STF-12),
12-14 August 2008, Da Nang City, Viet Nam**

Mr. Chairman and Co-Chair,
Dear colleagues,
Ladies and Gentlemen:
Good Morning!

First of all, on behalf of the Chinese Delegation, I would like to extend our sincere gratitude to ADB for its efforts in organizing this forum in the beautiful city of Da Nang. Special thanks should go to the Vietnamese Government and its Ministry of Transport in particular for their warm hospitality and considerate arrangements rendered to us.

China has taken an active part in GMS Program since it was initiated in 1992, and will make sustained efforts in materializing the prosperity and improving people's life in this sub-region. I am pleased to report to the Meeting on the latest progress in China's transport infrastructure developments and facilitation cross-border transport, and will also make some recommendations on further strengthening in out GMS cooperation in transport sector:

Part I. Progress in Transport Infrastructure Development

A. General Introduction

Since the reform and opening up to the outside world, and particularly over the past years, infrastructure construction in China has gained rapid development. By the end of 2007, the total mileage of China's road has reached 3.584 million kilometers, of which there are 54,000 kilometers expressways; the total mileage of navigable inland waterway has reached 1.23 million kilometers; the total port throughput has amounted to 6.41 billion tons while the container throughput has reached 144.4 million TEU; there are 14 ports each with the throughput above 100 million tons. The number of airports (excluding Hongkong and Macao) open to regular flights has reached 148 while the number of cities open to regular flights has amounted to 146. The total mileage of the railway has reached 157 thousand kilometers.

In 2007 investment in transport infrastructure construction in Yunnan Province amounted to 33.976 billion yuan RMB (approximately 5 billion USD). By the end of 2007, the total mileage of road in Yunnan province has exceeded 200 thousand kilometers, of which there are 2,508 kilometers expressway and 7,263 kilometers highway of class 2 or above.

In 2007, investment in transport infrastructure construction in Guangxi Autonomous Region amounted to 20.389 billion yuan RMB (approximately 3.0 billion USD). By the end of 2007, the total mileage of road in Guangxi has reached 94.202 thousand

kilometers with 1,879 kilometers expressway and 9,939 kilometers highway of class 2 or above. Total mileage of navigable inland waterway in Guangxi has reached 5,591 kilometers while the inland port throughput in Guangxi has amounted to 37.63 million tons. There are 34 deep-water coastal berths each with the handling capacity of more than 10 thousand tons. The total of coastal port throughput in Guangxi has amounted to 68.53 million tons.

B. Progress in Road and Water Transport Infrastructure Development

(1) Kunming-Mohan(CHN)-Houayxay(LAO)-Bangkok(Thailand) Corridor

The total length of the corridor (Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomengyang-Mohan-Boten-Houayxay-Chiang Khong-Chiang Rai-Tak-Bangkok) is 1807 km with 688km within Yunnan Province of China. Except the road section from Mohei to Simao (under construction to expressway) and from Xiaomengyang to Mohan, the entire road section within Yunnan province has been constructed to expressway in early 2008.

(2) Kunming-Daluo-Tachilek (MYA) –Chiang Rai-Bangkok(T) Corridor

Conditions of the respective sections of the corridor (Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomengyang-Jinghong-Daluo-Kengtung-Tachilek-Mae Sai-Chiang Rai-Tak-Bangkok) are as follows:

- Xiaomengyang-Jinghong section is 14 km expressway;
- Jinghong-Menghun section is 63 km highway of class 2;
- Menghun-Daluo section is 65 km highway of class 2.

(3) Kunming-Hekou(CHN)-Hanoi-Haiphong(VN) Corridor

The total length of this corridor (Kunming-Mile-Xinshao-Kaiyuan-Mengzi-Hekou(CHN)-Lao Cai-Hanoi-Haiphong) is 664 km with 400 km within Yunnan province of China and 264 km within Viet Nam.

The conditions of the Kunming-Hekou section are as follows:

(i) Two expressways in Kunming-Mengzi section

One is Kunming-Shilin expressway, currently double-direction and 6-lane with a total length of 78 km. This expressway was completed and opened to traffic in 2003. Shilin-Mengzi section is currently class 2 highway with 198 km in length. It is planned to be upgraded to a 4-lane expressway.

The other is Kunming-Yuxi-Tonghai-Jianshui-Mengzi section. Except some small parts, this section has been upgraded to expressway.

(ii) Mengzi-Xinjie-Hekou expressway, currently double-direction and 4-lane with 141 km in length, will be completed and open to traffic within 2008.

(4) Kunming-Chuxiong-Dali-Baoshan-Ruili(CHN)-Muse-Lashio (MYA)

Total length of the corridor within Yunnan province is 731 km. The 497km

Kunming-Baoshan expressway has been completed. Baoshan-Longlin section (78km) is now under reconstruction to a 4-lane expressway with 250 million USD loan from ADB and 35 million Euro loan from AFD. The project started in December 2004 and will be completed within 2008.

Longlin-Ruilu section, currently 154 km class 2 highway, is planned to be upgraded to expressway. The project will commence in 2009 and will be completed in 2012.

(5) Kunming-Baise-Nanning-Youyiguan-Huu Nghi-Langson-Hanoi Corridor

The total length of this corridor is 1160 km with Nanning-Henei section of 380 km (Nanning-Youyiguan section, 210 km; Youyiguan-Henei section, 170 km). The total section within China has been upgraded to expressway.

(6) Lancang-Mekong River Navigation Channel

Since the Quartopartite Agreement on Commercial Navigation on the Lancang-Mekong River was signed by China, Laos, Myanmar and Thailand in April 2000 and particularly since the navigation channel improvement project was executed thereafter, the navigability in the regulated sections of the River has been greatly improved with rapid growth of international shipping volume. Accidents frequency has been reduced dramatically and with 30% decrease in transport cost as well. According to our statistics, by the end of 2007, export and import cargo volume on the River reached 396 thousand tons with total value of 109 million USD, an increase of 15.1% compared with that of 2006. The number of passengers carried amounted to 21 thousand, with an increase of 5.9% compared with that of 2006.

C. Progress in Railway Infrastructure Development

(1) Dali-Ruilu Railway Line

Construction of the railway line has commenced and is planned to be completed in 2014. The estimated total cost is 2161.8 million USD and is financed by the Chinese Government.

(2) Nanning-Kunming Railway Capacity Expansion

The indicative timeline for this project is 2009-2015. The estimated total cost is 11764.7 million USD and will be co-financed by ADB (loan of 300 million USD included in ADB indicative 2009 pipeline) and Chinese Government. Proposal for the project has been completed and will be submitted soon.

(3) Yuxi-Mengzhi railway line

The project is still under construction and is planned to be completed in 2009. The estimated total cost is 661.8 million USD and is financed by the Chinese Government.

(4) Mengzhi-Hekou railway line

The indicative timeline for this project is 2008-2012. The estimated total cost is 1.21 billion USD and is financed by the Chinese Government. The project will commence within 2008.

D. Progress in Air Transport Infrastructure Development

(1) Mengzhi Airport Upgrading

It has not been decided whether the Mengzhi Airport, a military airport will be reconstructed to a civil airport or a civil-and-military airport. Proposal from Yunnan provincial government is still under domestic procedure.

(2) Nanning International Airport Improvement

The estimated investment for the project is about 126.3 million USD to be co-financed by the Chinese Government and the airport authority itself.

(3) Guilin International Airport Improvement

The estimated investment for the project is about 90.7 million USD to be co-financed by the Chinese Government and the airport authority itself.

Part II. Progress in the Facilitation of Cross-border Transport

A. Cross-Border Transport Agreement (CBTA) Annexes and Protocols

Under the coordination of the ADB, representatives of the six countries signed the last 3 annexes and 1 protocol in March 2007. Up to then, all 20 annexes and protocols of CBTA have been signed. The above-mentioned 20 annexes and protocols were all accepted by the Chinese government in January 2008.

B. Memorandum of Understanding between China and Viet Nam on the Implementation of the CBTA

The Memorandum of Understanding between the Government of the People's Republic of China and the Government of the Socialist Republic of Viet Nam on the Inclusion of the Border Crossing at Youyiguan-Huu Nghi and the Related Route in Protocol 1 of the CBTA was signed during the 3rd GMS Summit in late March 2008. The signature of the MOU will help to realize facilitation of cross-border transport and promote trade development and personnel exchange between the two countries. It is of great significance to the economic cooperation in GMS countries as a whole.

C. Implementation of the CBTA and Its Annexes and Protocols

(1) Training Course for the Implementation of the CBTA

To facilitate smooth and efficient implementation of the CBTA and its annexes and protocols, the Ministry of Communications of China conducted a 7-day national training course for the implementation of the CBTA in Kunming of Yunnan province in July 2007. About 100 participants from NFTC (National Facilitation Transport Commission) member ministries, relevant agencies from Yunnan and Guangxi, and all relevant executive agencies at 7 border crossings attended the training course.

(2) CBTA Implementation Manual

To facilitate the implementation of the CBTA and its annexes and protocols, with the assistance of the ADB experts, China and Viet Nam worked out a CBTA

Implementation Manual at the border crossings of Hekou and Lao Cai in June-July 2007. The Manual are still under translation from English to Chinese and will be published in October this year.

(3) National Action Plan on the Implementation of the CBTA and its Annexes and Protocols

Under the coordination of the ADB, a joint meeting on the formulation of the National Action Plan was held in Beijing on November 12-13, 2007. Relevant agencies attended the meeting and worked out the draft National Action Plan. The draft was approved at the first China NFTC plenary meeting held in Beijing in December 2007.

(4) The First NFTC Plenary Meeting

The first NFTC plenary meeting was held in Beijing on 13 December 2007. About 50 delegates from the eight member ministries (namely the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Public Security, the Ministry of Finance, the Ministry of Communications, the Ministry of Commerce, the General Administration of Customs, the General Administration of Quality Supervision, Inspection and Quarantine), the government of Yunnan Province, the government of Guangxi Autonomous Regions, and China Road Transport Association (CRTA), attended the meeting. H. E. Mr. Weng Mengyong, Vice Minister of the Ministry of Communications, delivered a report to the meeting on the achievements in the past four years after the establishment of the NFTC and put forward some specific recommendations on the future work of the NFTC. The meeting approved all recommendations and agreed to accept Yuannan, Guangxi and CRTA as members of the NFTC.

Part III. Recommendations on Further Strengthening GMS Cooperation in

Transport Sector

Based on the above-mentioned progress in infrastructure development and in cross-border facilitation, and according to initiatives made by Chinese Premier Wen Jiabao and agreed upon by all other leaders at the GMS 3rd Summit, we would like to make the following recommendations in respect of infrastructure development, transport facilitation and information network in the GMS cooperation:

A. Infrastructure Development

(1) Given that the Kunming-Bangkok road was completed and opened to traffic in March 2008, we propose that the ADB continue to coordinate in initiating, as soon as possible, the construction of the Houei Sai-Chiang Khong Bridge across the Mekong River.

(2) We propose that the GMS countries should expedite the development of their relevant sections of the South-North corridor, East-West corridor, south corridor, and the related border crossings in accordance with the GMS Transport Strategy 2006-2015, thus to establish a road transport network as early as possible. We also propose that the GMS countries should create favorable investment conditions and

encourage public and private sectors to participate in GMS infrastructure construction.

(3) We propose that the ADB should strengthen its involvement in navigation channel improvement of the Lancang-Mekong River, and provide necessary financial support for the installation and maintenance of the navigation aids, and for feasibility studies on realizing the commercial navigation on the whole reaches of the Lancang-Mekong River.

B. Facilitation of Cross-border Transport

(1) In order to fully and effectively implement the CBTA and its annexes and protocols, we propose that countries having not ratified or accepted all the CBTA annexes and protocols should do so as soon as possible. We also propose that negotiations on bilateral MOU on the implementation of the CBTA and its annexes and protocols at the border crossings of Mohan (CHN)-Boten (LAO) and Ruili (CHN)-Muse (MYA) be initiated as soon as possible.

(2) At the customs transit system meeting held in Qingrai, Thailand on July 29-August 1, 2008, the delegates from GMS countries reached consensus on the pilot implementation of the GMS customs transit system on the East-West and South-North corridor, and also considered and finalized the Memorandum of Understanding between and among Customs Authorities and Issuing/Guaranteeing Organizations/Institutions from the GMS Countries on the Customs Transit and Temporary Admission System for Implementation of the CBTA. We propose that the GMS countries should complete their domestic procedures for approval as soon as possible, with a view to sign the above-mentioned MOU as scheduled in October 2008.

(3) We propose that ADB and other international financial institutions should continue to provide technical assistance as well as financial support to the GMS cooperation in respect of personnel training on the implementation of the CBTA and its annexes and protocols, especially on the implementation of the customs transit system in the GMS countries.

C. Establishment of Transport Information Network

China has developed some technology and has certain capacity in the construction of transport information network. In order to enhance cooperation in GMS region as a whole, we propose that the GMS countries should strengthen cooperation in the construction of transport information network. China would like to share its technologies and experiences in this regard.

Mr. Chairman and Co-chair, dear colleagues, ladies and gentlemen,
In conclusion, I would like to take this opportunity to express our sincere thanks to ADB and all other donors for their great contributions to our successful cooperation in

GMS program. Finally, may I wish this Forum a complete success.

Thank you very much for your kind attention!

Proposed Format for the Country Reports at the 12th Meeting of the GMS Subregional Transport Forum (STF-12)

Objective of the Reports:

1. To monitor the status of and progress on the projects included in the GMS Transport Sector Action Plan adopted at the 11th Meeting of the STF (STF-11, March 2007, Bangkok) and further endorsed and refined by the Third GMS Leaders' Summit (March 2008, Vientiane) under the Vientiane Plan of Action for GMS Development (2008-2012) (Vientiane POA).
2. To provide the basis for a further refined list/matrix of high priority GMS transport projects whose implementation will be closely and regularly monitored.

Key Features of the Proposed Format *(see following pages):*

1. The format is based on the Vientiane POA, which includes only committed and high priority projects in the STF-11 Transport Sector Action Plan – projects that are for commencement of implementation within 2008-2012.
2. The proposed format has the following columns: (1) Project Name, (2) Indicative Timeline, (3) Estimated Total Project Cost, (4) Status of Financing, and (5) Status/Progress of Implementation. Indicative information available from the Vientiane POA on each country's respective projects is given in the first 4 columns of the format for each country. However, the countries are requested to revise/update the entries under these columns based on more recent developments and information.
3. The most important columns are (4) and (5), under which the countries are requested to provide the following information:
 - a. Column (4) Status of Financing: the final financing arrangements for the project, including the sources and amounts; or, if no final arrangements have been set, recent developments on arrangements being pursued.
 - b. Column (4) Status/Progress of Implementation: For projects that are already ongoing, progress of construction works (e.g., works undertaken, sections/numbers of kilometers completed, percent completion, etc.). For projects still in the project preparation stage, the extent of preparation activities undertaken (e.g., conduct and key results of pre-FS, technical/ engineering studies, FS, regulatory agency approvals). More importantly, the column should include information on the relation to and priority status of the project in national plans and programs (e.g., the project is a high priority in the current five-year socio-economic development plan, the project is needed to complete the sections of the GMS Economic Corridor in the country, etc.).
4. Also provided in the format is a blank table where, if necessary, the countries may list other projects that they may consider to be of high priority.

People's Republic of China: Country Report on Projects Included in the Plan of Action for the GMS Transport Sector (2008-2012)

(1) Project Name	(2) Indicative Timeline	(3) Estimated Total Cost (\$M)	(4) Status of Financing	(5) Status/Progress of Implementation	
Group 1: Projects that are ongoing or for immediate implementation and with identified financing		<i>Please revise/update the indicative entries under columns (2)-(4) as needed</i>		<i>Please include information on: progress of construction or project preparation (e.g., conduct and key results of pre-FS, technical/ engineering studies, FS, agency approvals); relation to and priority status in national plans and programs.</i>	
1.	Route 3/Highway 1020: Houayxay-Chiang Khong North South Economic Corridor International Bridge	2007-2011	35.0	PRC, Lao PDR and Thailand signed MOU under which PRC and Thailand agreed to jointly finance the bridge	A pre-bid meeting on the construction of the bridge was held in June 2008. Project Working Group has received proposals from consultants. The proposals are under the procedure of evaluation and ranking.
2.	Guangxi Roads Development II	2005-2008	726.0	Financed by ADB (\$200 M); China Development Bank (\$271.4 M); and PRC Government (\$257.6 M).	Project expressway (188km-long four-lane access-control toll Nanning-Baise expressway) opened to traffic on a trial basis in December 2007, contributing to poverty reduction in the project area, as well as transport facilitation and north-south economic corridor development (NSEC) in the GMS. The Project is expected to be completed by end 2008.

	(1) Project Name	(2) Indicative Timeline	(3) Estimated Total Cost (\$M)	(4) Status of Financing	(5) Status/Progress of Implementation
3.	Western Guangxi Road Development: Longlin-Baise Expressway	2007-2013	1,566.0	Financed by ADB (loan of \$300 M); PRC government (\$720 M) and cofinancing (\$546 M).	Feasibility Study and Preliminary Design were approved in 2007. Civil works contracts were signed in June 2008, and construction commenced in July 2008. Project expressway (177km long four-lane access-control toll Baise-Longlin expressway) is expected to be completed by end 2010, which will provide a better access between Guangxi and Guizhou, and contribute to sustainable economic growth in poverty-stricken areas in southwestern China and northern Vietnam, as well as NSEC development designed in the GMS.
4.	Central Yunnan Roads Development: Wuding-Kunming	2008-2011	686.0	To be financed by ADB (loan of \$200 M included in ADB indicative 2008 pipeline); PRC government (\$72 M); and cofinancing (\$304 M).	The project feasibility report has been approved by the National Development and Reform Commission. The project preliminary design has been finished and submitted to the Ministry of Transport for approval. The negotiation on ADB loan issue will be held in August 2008. the project is planned to commence in September 2009.
5.	Dali-Ruili Railway Line	2007-2014	2161.8	To be financed by PRC government	Construction has commenced.

(1) Project Name		(2) Indicative Timeline	(3) Estimated Total Cost (\$M)	(4) Status of Financing	(5) Status/Progress of Implementation
6.	Nanning-Kunming Railway Capacity Expansion	2009-2015	11764.7	To be financed by ADB (loan of \$300 M included in ADB indicative 2009 pipeline) and PRC government	Project proposal will be submitted soon.
7.	Yuxi-Mengzhi railway line	2005-2009	661.8	financed by PRC government	Still under construction
8.	Western Yunnan Roads Development II	2009-2012	1426.0	To be financed by ADB (loan of \$250 M included in ADB indicative 2009 pipeline) and PRC government	The project feasibility study report has been completed and submitted to the National Development and Reform Commission for approval.
9.	Mengzhi-Hekou railway line	2008-2012	1205.9	To be financed by PRC government	The project will commence in 2008.
Group 2: Projects for later implementation and/or projects requiring financing					
1.	Mengzhi Airport Upgrading	2008-2009	15.0	Possible financing by PRC	It has not been decided that if the Mengzhi Airport, a military airport will be reconstructed to a civil airport or a civil-and-military airport. Proposal from Yunan provincial government is still under domestic procedure.
2.	Dali-Lijiang Road Upgrading	2009-2012	2377	To be financed by PRC government	The project feasibility study report was submitted to the National Development and Reform Commission for approval in 2007.

	(1) Project Name	(2) Indicative Timeline	(3) Estimated Total Cost (\$M)	(4) Status of Financing	(5) Status/Progress of Implementation
3.	Baise-Debao-Longbang (Viet Nam border) Expressway	2009-2012	1,016	To be financed by BOT	Feasibility Study has been completed and will be submitted for approval. The expressway to be constructed is about 130km long with four access-control lanes, and the design speed is 80km/h. The Project will help to reduce poverty and promote regional economic development in Guangxi, Yunnan and Vietnam, which is in consistent with the NSEC development strategy of GMS.
4	Yuxi-Mohan Railway Line	2010-2014	TBD	TBD	
5	Guangdong-Chuxiong-Dali Railway Capacity Enhancement Project	2010-2010	TBD	TBD	
6	Chengdu-Kunming Railway Double Tracking	2009-2011	TBD	TBD	
7	Nanning International Airport Improvement	2009-2012	126.3	To be financed by the PRC government and the airport	
8	Guilin International Airport Improvement	2009-2014	90.7	To be financed by the PRC government and the airport	

Other Projects that Government May Consider as High Priority

(1) Project Name	(2) Indicative Timeline	(3) Estimated Total Cost (\$M)	(4) Status of Financing	(5) Status/Progress of Implementation
Hechi-Baise Expressway	2010-2014	2,012	Applying for ADB loans and the rest will be financed by PRC government.	Feasibility Study has been completed and will be submitted for approval. The expressway to be constructed is about 180km long with four access-control lanes, and the design speed is 80km/h. The Project will help to reduce poverty and promote economic development in northwestern Guangxi area.