



Chengdu embraces opportunities

The Chengdu-Europe Express is ready to depart from a railway station in Nuremberg, Germany. WANG XIAO / FOR CHINA DAILY

More than \$1 billion of cargo has already been shipped through the new route, **Li Yu** and **Peng Chao** report from Chengdu.

Three years after China proposed the Belt and Road Initiative, Chengdu, which lies at the intersection of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, has set up a new target to build itself into a national central city.

A key step is to turn the city into a world-class transportation hub.

A cargo railway link between Lodz, Poland, and Chengdu, a mega city in western China, has worked as a modern Silk Road for the cooperation and exchanges between China and Europe.

Tomasz Grzelak, CEO and president of Hatrans Logistics, is planning to build a new 100,000-square-meter warehouse to accommodate cargo shipped to and from Chengdu.

Based in Lodz, Hatrans offers logistics services on the Chengdu-Lodz rail route for the Chengdu-Europe Express. Its 5,000-square-meter warehouse is running out of room as an increasing number of shipments are transported on the railway route.

Hatrans started cooperation with Chengdu to operate the express rail service three years ago.

"Chengdu is one of the earliest cities (in China) to launch the express rail service to Europe," said Grzelak. "Compared with other routes, the Chengdu route is more widely used for its regular freight train service."

In line with the Belt and Road Initiative proposed by President Xi Jinping in 2013, Chengdu launched an express rail service to Lodz in April that year. The route runs almost parallel to the legendary Silk Road, stretching 9,826 kilometers.

Grzelak said the trains ran from Chengdu to Lodz once a week at the very beginning. With an increase of customers, the frequency has increased to four times a week from Chengdu to Lodz and two times from Lodz to Chengdu.

The trains from Chengdu mainly carry cargo including electronic devices, car parts, heavy machinery and general merchandise, while the trains to Chengdu mainly ship food, drinks and furniture, according to Grzelak.

Since its opening, the express line has made 329 journeys and delivered 40,700 tons of shipments in 26,976 standard containers with more than \$1 billion in freight value as of the end of July.

"It takes 50 days from Poland to Chengdu by sea, while the Chengdu-Europe express rail takes only 10.5 days," said Grzelak, adding that the cargo could be sent

to any destination in Europe within three days from Lodz, a logistics hub at the heart of the continent.

Hatrans is preparing to build a 340,000-square-meter exhibition center in Lodz so that customers in Europe can directly purchase the goods from Chengdu shipped via the express rail. The center is expected to be completed in two or three years.

"We are trying to help more companies in Poland and other eastern European countries to export their products to China," said Jakub Garstka, management proxy for logistics at Hatrans.

Garstka said Hatrans has started cooperation with China's e-commerce giant JD.com to sell Polish food through the company's e-commerce platform. It also set up an exhibition hall in Chengdu two months ago to showcase high-quality Polish goods.

Han Baohua, general manager of GD Poland International in the suburban area of Warsaw, is looking forward to exporting farm products from Eastern Europe to China through the Chengdu-Europe Express rail.

GD Poland International operates the largest wholesale market for Chinese goods in the European Union, with its sales surpassing \$2 billion last year.

"The companies in the market mainly import Chinese goods to Europe, but their combined sales last year dropped to almost half that of 2011 due to the influence of the European debt crisis.

The Chengdu-Europe express rail offers new business opportunities for our trade companies," Han said.

Han said the Chengdu-Europe express rail is a good choice to ship farm products because it costs much less than air transportation and takes much less time than transportation by sea.

"The only problem is that the Chinese government hasn't loosened the restrictions to import farm products from eastern European countries.

Once loosened, the express line will become a 'hot line,'" he said.

Many companies in and around Chengdu, and even those in eastern coastal cities and provinces such as Shanghai, Fujian and Guangdong, also chose the express rail to transport their goods.

Since January, 99 percent of the components used for home appliance maker TCL's TV sets sold in Europe have been transported through the Chengdu-Europe express rail, according to Tomasz Olender, deputy general manager of



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Han Baohua, general manager of GD Poland International

9,826 km

distance of the Chengdu-Lodz rail route

10.5 days

travel time from Chengdu to Poland via the Europe-bound express rail

329 journeys

number of trips the Chengdu-Lodz cargo express has made since its opening in April 2013

TCL's plant in Poland.

With an annual production capacity of 2.2 million TV sets, the Poland plant is the company's major manufacturing base in Europe, as well as the biggest factory set up in Europe by a Chinese company.

Liang Tiemin, vice-president of TCL Multimedia, said a TCL plant in Chengdu is scheduled to expand its production to cater for another 800,000 TV sets installed in Poland by the end of next year.

The components made in Chengdu are shipped by train to the Poland plant, where they will be assembled into TV sets and sold to the European market.

"We will make Chengdu our



Tomasz Grzelak, CEO and president of Hatrans Logistics, talks about his company's close ties with Chengdu at a warehouse in Lodz, Poland. WANG XIAO / FOR CHINA DAILY



Workers assemble TV sets at a TCL plant in Poland. The majority of their components are shipped via the cargo rail service. WANG XIAO / FOR CHINA DAILY

Silk Road predated by older route

While the ancient Silk Road is known throughout the world, another route — the Southern Silk Road that starts from Chengdu, capital of Southwest China's Sichuan province — remains little known.

The Southern Silk Road headed south from Chengdu, through Yunnan province, today's Myanmar or Tibet, to reach India and beyond.

The Northern Silk Road, generally known as just "the Silk Road", was opened by a diplomat named Zhang Qian during the Western Han Dynasty (206 BC-AD 24). It started from Chang'an, the then national capital now known as Xi'an in Shaanxi province, went through India, Iran and the Middle East to the Mediterranean sea.

When Zhang first arrived at the country named Daxia,

or Tokhgra in Central Asia, however, he found Shu cloth and Qiong bamboo rods, which were produced in Sichuan, proving the existence of a path linking Sichuan and Central Asia before the Silk Road.

The latest archaeological discoveries provide more evidence about the existence of the Southern Silk Road, which might have been opened hundreds of years before its better-known northern counterpart.

The best-quality brocade unearthed along the Silk Road are mainly Shu brocade. Shu brocade became more famous during the Sui (581-618) and Tang (618-907) dynasties, and was one of the major silk products sold along the Silk Road.

LI YU AND PENG CHAO

major manufacturing base for TV sets sold in Europe," he said.

Liang said TCL will also export more air-conditioners, refrigerators and washing

machines to Europe by making full use of the Chengdu-Europe express rail.

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Transport network expansion facilitates trade, investment

By LI YU and PENG CHAO in Chengdu

3 major rail routes

destined for Europe are covered by the Chengdu-Europe Plus strategy

Tian Chuan, manager of Soluxe Club, one of the largest Chinese restaurants in Moscow, is excited about the freight train service that is planned to link Russia and Chengdu, Sichuan province.

To promote trade and economic cooperation between China and Russia, the Chengdu-Russia route for the Chengdu-Europe Express rail is scheduled to open by the end of this year, according to the city's Port and Logistics Office.

"With the advancement of the Belt and Road Initiative, there is a boom in business opportunities between Chengdu and Russia," Tian said.

"An increasing number of companies and investors from Chengdu are coming to Russia," he said, adding that his restaurant's turnover has increased 60 percent annually in the past three years.

Tian said 60 percent of the 120 Chinese restaurants in Russia feature Sichuan cuisine, as more and more Russian people desire authentic Sichuan dishes.

"Once the Chengdu-Russia express rail route opens, we can transport food materials and ingredients from the Sichuan capital by rail, which is much cheaper than air transportation," he said.

As one of the earliest rail routes between China and Europe, the Chengdu-Europe express railway began operation in April 2013, linking Chengdu with Lodz, an emerging European logistics transit hub in Poland.

In June this year, it was put under the unified brand for China-Europe freights, the China Railway Express.

To take full advantage of this direct rail route, the city launched the Chengdu-Europe Plus strategy in 2015, which refers to increased rail connections with both domestic and European cities, making Chengdu a logistics hub for facilitating trade with Europe and pan-Asia.

According to the strategy, Chengdu launched its second major cargo rail route to Europe on Sept 6. The rail link between Chengdu and Istanbul, Turkey, focuses on the southern European market.

The third link, the Chengdu-Russia route, will focus on the Russian market.

The Chengdu-Europe express rail has expanded to domestic cities including Xiamen, Shenzhen, Kunming and Ningbo. It is also

expected to cover the Pearl River Delta, Yangtze River Delta and Bohai Economic Rim, as well as some East and Southeast Asian countries and regions.

Expansion to Europe

The Chengdu-Lodz route is also connecting the city to more European cities. Last December, the route was expanded to Nuremberg, Germany. A regular cargo rail service has since been offered via the route once a week.

Alexander Ochs, prokurist of Bayernhafen GmbH & Co KG, the operator of the station for the Chengdu-Europe express rail in Nuremberg, said the express rail offers a new option for both Chinese and German companies engaged in bilateral trade to transport their products.

He said the headquarters of BMW Group in Munich is so close to Nuremberg that a one-way drive takes only two hours. "To transport the cars and auto components to China on the express rail seems a rather good choice."

Twenty BMW cars had gone through an export test via the express rail in July, according to Fan Jun, chairman and general manager of Chengdu International Railway Service Co Ltd, which is in charge of the management of the Chengdu-Europe express rail operations.

He said his company is negotiating with car makers Volkswagen, BMW and Peugeot to export their cars to China on the rail. It also plans to import meat from Germany and Denmark.

The Chengdu-Lodz route will further link to major European cities including Rotterdam, Antwerp, Paris, and Madrid, Fan said.

The Chengdu CR Express is expected to run 400 journeys this year and 1,000 journeys next year, according to the Chengdu Port and Logistics Office.

As the fourth-largest aviation hub on the Chinese mainland, Chengdu is the closest aviation hub from China to Europe. Local officials said the international air routes and Chengdu-Europe express rail will provide strong support for the city to involve itself in the Belt and Road Initiative.



Cargo is loaded onto trains at a railway station in Lodz, Poland. The city is one of the European destinations for the Chengdu rail express. WANG XIAO / FOR CHINA DAILY



A worker at Hatrans Logistics checks shipments from Chengdu at a warehouse in Lodz, Poland. WANG XIAO / CHINA DAILY