

**JOINT STATEMENT
OF THE 4TH CHINA-JAPAN-KOREA MINISTERIAL
CONFERENCE ON TRANSPORT AND LOGISTICS**

Busan, Korea, July 16, 2012

1. We, the Transport and Logistics Ministers of China, Japan and Korea held the 4th Ministerial Conference on Transport and Logistics in Busan, Korea, on July 16, 2012. We exchanged views and had a fruitful discussion on the progress of the Action Plans agreed at the previous conferences and the future plans.

2. We, through the three previous conferences, have set 3 major goals for logistics cooperation, which are 'creation of a seamless logistics system', 'establishment of environmentally friendly logistics' and 'achievement of balance between security and efficiency of logistics', and to achieve the above mentioned goals, we have adopted 12 Action Plans. We have established joint working groups to draw visible outcomes from the 12 Action Plans, and brought satisfactory results by making efforts to develop and implement practical cooperation ways according to each Action Plan.

3. In order to achieve the goals of trilateral logistics cooperation, we approved the "progress and future work of the Action Plans", and reached the following consensus for constant cooperation.

3.1 Creation of a seamless logistics system

3.1.1 Mutual access of trailer chassis plays a key role in linking land and maritime transportation and thus increasing logistics efficiency and speed. Accordingly, we will constantly make the following efforts for mutual access of trailer chassis. China and Korea will vitalize mutual access of trailer chassis under the previously signed agreement, and Japan and Korea will cooperate with each other toward successful implementation of the pilot project which will be started during the second half of 2012. China and Japan will conduct a joint research on the possibility of implementation of a pilot project. The three countries will endeavor to realize trilateral access of sea-land inter-modal trailer chassis in the future.

3.1.2 We will endeavor to strengthen and improve port related logistics information sharing services, with a view to establishing an effective logistics information service network between China, Japan and Korea, and will actively develop the standards regarding logistics information sharing and enhance the function of logistics information sharing. In the long term, we will start a research on how to gradually expand the scope of logistics information sharing service from the maritime sector to road, railway, aviation transport and sea-land multi-modal transport sectors, and will

expedite research on the operational mechanism of NEAL-NET for further development.

3.1.3 To facilitate cooperation among the three countries in the field of logistics, we will endeavor to share logistics related policies, regulations, advanced technologies, and research results through the NEAL-NET website.

3.1.4 We will make efforts to realize a returnable pallet system, which is aimed at establishing a low cost and eco-friendly logistics system. We will conduct a joint research and a pilot project for joint use of returnable pallets to resolve customs problems regarding returnable pallets. In the long term, the three countries will make joint efforts to adopt necessary measures in order to promote the implementation of customs exemption concerning returnable pallets among the three countries. In addition, by taking the opportunity of publishing the guidebook for logistics companies' investment, we will put more efforts to lower systematic and procedural barriers facing the three countries' logistics enterprises which are conducting their business in the Northeast Asia.

3.1.5 We will constantly standardize pallets to contribute to the realization of a seamless logistics system in the Northeast Asia, and will maintain cooperation for this. In addition to developing the standards of the size of pallets that has been achieved at the 3rd Ministerial Conference on Transport and Logistics, we will encourage a research on the development of standards including the quality and strength of pallets.

3.2 Establishment of environmentally friendly logistics

3.2.1 We are seeking ways of building environmentally friendly logistics. Under the common recognition that global warming is a global challenge, we promise that we will make endeavor to reduce green house gas emissions from the logistics sector. To this end, we will strengthen cooperation in green logistics, such as exchanging information on green logistics policies by holding joint seminars initially in the maritime and port sectors and verifying the energy saving operations of ships. In addition, the three countries will continue to endeavor for the establishment of the green logistics in each country.

3.2.2 In accordance with the growing environmental consciousness of customers, the demand for environmentally friendly logistics services is growing in the three countries. In this regard, we recognize that various projects conducted under this Ministerial Conference have an important meaning for establishment of environmentally friendly logistics. We will strengthen our cooperation and promote the cooperation between the government and private sectors, to move forward such projects related to environmentally friendly logistics.

3.3 Achievement of balance between security and efficiency of logistics

3.3.1. To jointly endeavor to respond to changes in the international logistics security environment, including effective development of human resources in the logistics security, we will encourage exchange of information on current logistics security related trainings in the three countries, and discussions for developing more effective training programs among the related training organizations and other experts of the three countries.

3.3.2. We will endeavor to cooperate and encourage a research by the research institutes and enterprises of the three countries on logistics security related technologies to improve logistics security and efficiency.

3.4 Other related areas

3.4.1 We noted the outcome of the Northeast Asia Port Director-General Meeting held in Hangzhou, China, on October 9, 2011 and encourage the agreed cooperation on promotion of sea-land inter-modal transportation, marina network and port pricing system in Northeast Asia. We welcome the decision to hold the 13th Northeast Asia Port Director-General Meeting in Hokkaido in October, 2012, Japan. In addition, we agreed to endorse the report of the Northeast Asia Port Director-General Meeting at the Ministerial Conference on Transport and Logistics.

3.4.2 We will make constant efforts to effectively identify joint research projects and reduce problems which may occur during the research under the 'guideline for joint research on logistics among the three countries' which was developed for efficient joint research for logistics cooperation in the Northeast Asia.

3.4.3 Furthermore, we will endeavor to lower non-physical barriers that 3PL companies face when conducting services in other countries.

3.5 Cooperation with other related countries and regions

3.5.1 Under the mutual recognition that the logistics system needs to be integrated throughout the Asian region, we will seek for joint logistics cooperation with ASEAN members such as developing a Unit Load System education program as a pilot project. In addition, we will start to study on cooperation with relevant ASEAN member states so as to deepen mutual understanding on logistics needs and explore the possibility of establishment of ASEAN + China, Japan and Korea Transport Ministerial Meeting (10+3).

3.5.2 Recalling the Consultation on Northeast Asia Sea-Land Inter-modal Transport Cooperation among China, Japan, Korea and Russia held in Harbin, China on December 21 to 22, 2011, we recognized the importance of the establishment of an

inter-governmental mechanism for regular consultations, and reaffirmed our intention to take relevant follow-up actions agreed at the Consultation by such means as carrying out a joint survey by the four countries at an appropriate time, in a view to realizing Northeast Asia sea-land inter-modal transport among China, Japan, Korea and Russia.

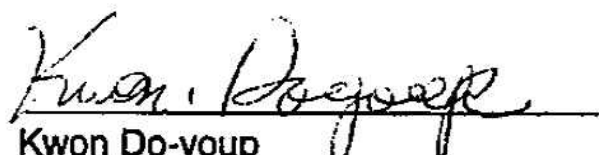
3.5.3 Recalling the 2nd ASEM Transport Ministers' Meeting (TMM) held in Chengdu, China on October 24 to 26, 2011, we will accelerate a research to establish an Asia-Europe logistics information sharing network and form a research team, so as to widen the scope of logistics information sharing, thus promoting development of trade and economy between the three countries and other relevant regions.

4. The next Ministerial Conference will be held in Japan.

5. The Chinese and Japanese Ministers expressed their appreciation to the Korean side for the organization of this Ministerial Conferences and the warm hospitalities rendered to their delegations.

Annex: 2012 Progress and Future Work Sheets of the Action Plans

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


Kwon Do-youp
Minister of Land, Transport and
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For the Ministry of Transport of
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Action Plans

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

The three countries have been endeavoring to support companies that desire to enter into foreign markets and to reduce logistics costs in the Northeast Asian logistics market, in recognition of the fact that the companies from the three countries, when they make entry into and operate in the foreign markets, can play a crucial role in establishing a logistics system that is more effective than the current system.

At this juncture, the three countries, in order to reach relevant goals in consideration of the differences in their social, cultural, and environmental aspects, have been striving to establish a common use system of returnable pallets in Northeast Asia and have drafted the "Investment Guidebook for Logistics Companies"

(1) A returnable pallet system

A returnable pallet system is significantly important in order to establish an environmentally friendly and low cost logistics system in the three countries. The three countries, in order to promote more use of returnable pallets, held a joint seminar, through which they recognized the need to facilitate custom exemption of pallets and to set standards for pallets' textures.

Responding to the result of the joint seminar, the three countries will conduct a joint study that will compare and analyze each country's laws/regulations on customs exemption and customs clearance procedures for returnable pallets. Based on the study results, a pilot project will be implemented, aimed at promoting joint use of returnable pallets among the three countries. The three countries will also make joint efforts to adopt necessary measures to promote customs exemption concerning the returnable pallets among the countries. To this end, each country needs to work together with their respective government agencies involving in customs issues.

(2) The Investment Guidebook for Logistics Companies and facilitation of overseas operations of logistics companies in Northeast Asia

The three countries, as a result of the two-year project to publish an investment guidebook for logistics companies, have drafted the "Investment Guidebook for Logistics Companies" written in the respective official languages as well as in English.

The "Investment Guidebook for Logistics Companies" is the first fruition of efforts that had been put into overcoming possible obstacles for the three countries' logistics companies as they enter into the desired foreign markets. The contents included in the Guidebook are as follows.

1. Overview of the country concerned
2. Laws and institutions concerning logistics
3. Foreign investment systems
4. Tax systems
5. Process of logistics projects for entering into a foreign market

The three countries will distribute the said Guidebook in the respective official languages and in English to relevant logistics companies in their countries to disclose information on investment of the concerned logistics markets in easy-to-access formats.

The three countries expect that more logistics companies will try to conduct overseas operations in Northeast Asia where the logistics market is growing rapidly. Based on this recognition, and spurred by the completion of the draft Guidebook, the three countries will strive further to facilitate discussions to reduce or improve unreasonable factors and procedures existing in the logistics system that the logistics companies may come across with their overseas operations in Northeast Asia.

<u>Action Plan 2</u>
<u>Creation of conditions to realize the seamless logistics system in Northeast Asia</u> <u>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 of trailer chassis in Northeast Asia.</u>
<u>Progress/ Future Work</u> <p>It would be very important to promote mutual access of trailer chassis, as it would contribute to realize efficient and speedy logistics by smoothing connectivity between international sea-land transport. Progresses and future works regarding mutual access of trailer chassis among the three countries are as follows.</p> <ol style="list-style-type: none"> 1. Between China and Korea <p>The two countries have concluded the Agreement on Sea-Land Intermodal Freight Vehicle Transport, which provides a legal framework for implementation of mutual access of trailer chassis between the two countries, such as the implementation target of sea routes and vehicles, and laws and regulations that should be observed. Based on the Agreement, mutual access of trailer chassis has been conducted since December 20, 2010 between the two countries on the seven routes including Incheon/Weihai and Incheon/Qingdao, participated by a total of 157 trailer chassis as of December 31, 2011. The two countries will enlarge the scope of operation of mutual access of trailer chassis between the two countries based on the Agreement, and cooperate to conduct a joint study on trailer chassis transportation with a tractor.</p> 2. Between Japan and Korea <p>Between the two countries, needs for efficient and speedy logistics of high value added products by sea-land intermodal transport utilizing trailer chassis have been growing. Taking this into account, in order to further promote mutual access of trailer chassis, the two countries will cooperate with each other more closely toward implementation of the pilot project of mutual access of trailer chassis which will be started during the second half of 2012.</p> 3. Between China and Japan <p>The two countries have had consultations on possibility of conducting a pilot project of mutual access of trailer chassis, as well as conducting a demand survey. The two countries will continue cooperation with each other toward implementation of a pilot project by exchanging information on the respective regulations in each country, including those of vehicle safety and customs clearance.</p> 4. Based on the abovementioned bilateral cooperations on sea-land intermodal transport, China, Japan and Korea will conduct a joint research on and explore the possibility of sea-land intermodal transport cooperation among the three countries.

<u>Action Plan 3</u>
<u>Efforts to establish an inter-connected logistics information network among the three countries</u> <p>The three countries will make efforts to build an effective inter-connected logistics information network (NEAL-NET).</p>
<u>Progress/ Future Work</u>
<p>Accomplished Work:</p> <p>1. Strengthened the study on basic standard, and vigorously promoted the logistics information sharing in container ports.</p> <p>The research on logistics information sharing standard in container has achieved substantial progress. During technical meetings of NEAL-NET, the consensus on the data elements, codes system and interface architecture of container vessel status data sharing was reached. Defined NEAL-NET Standard lays the foundation for the effective promotion of port logistics information sharing among the three countries.</p> <p>The pilot project of port logistics information sharing has obtained periodic achievement. NEAL-NET logistics information sharing service was officially opened in Dec 6 2011, the pilot participants, namely Ningbo-Zhoushan Port of China, Tokyo-Yokohama Port of Japan and Busan Port of Korea, have basically reached the goal of dynamic vessel status information sharing.</p> <p>The research on container status information sharing standard has been activated. User registration and management and container status sharing standard issues were discussed during technical meetings.</p> <p>Extension work for coverage ports of NEAL-NET service launched rapidly. The three countries reached agreements on extending the NEAL-NET port service coverage areas of dynamic container vessel status from the current ports, gradually to Shanghai and other major ports(China), Kawasaki, Osaka and Kobe Port (Japan), Gwangyang and Incheon Port(Korea).</p> <p>For the purpose of launching port authority side interface reformation to realize pilot system interconnection, training activities are carried out by NEAL-NET China for 13 pilot ports (except Ningbo-Zhoushan port) in accordance with the promotion notice issued by MOT of China. After participating in the training courses, 8 ports submitted interface reformation plan to MOT and NEAL-NET China, 5 ports have begun interface reformation. Some of the ports are expected to finish their works by the end of 2012.</p> <p>2.Improved the internal work structure and mechanism, enhanced the operational efficiency of NEAL-NET.</p> <p>NEAL-NET constantly improved its organizational system. The three countries timely adjusted the personnel of Joint Steering Committee, Council and Secretariat, and intake the authorities of logistics industry, associations, ports authorities, logistics enterprise, IT companies, research institutes and universities as NEAL-NET members. There are more than 50 entities have submitted the application.</p> <p>The operational mechanism of the NEAL-NET has initially taken shape. Furthermore, real-time communication, regular tele-conference and irregular technical meetings were</p>

conducted.

3. Strengthened the promotion, and enhanced the influence of NEAL-NET in industry.

NEAL-NET set up its official website, published its news release introduction, brochures and videos, so as to timely publicize NEAL-NET and its latest work.

4. Cooperation to realize logistics information sharing among Northeast Asia, Asia-Europe and worldwide

During the 2nd ASEM Transport Ministers' Meeting (ASEM-TMM), the initiative put forward by NEAL-NET, i.e. "to establish a corresponding cooperative mechanism, carry out technical exchanges on the standards for information networks and explore the possibility of the interoperability between Asia-Europe networks on the basis of the NEAL-NET", was agreed and incorporated into the Ministers' Joint Declaration and ASEM-TMM Action Plan.

Consultation meeting about how to promote Asia-EU logistics information sharing was held and the establishment of research working group was agreed.

Future Work Plan:

1. Enhance and improve port logistics information sharing service

To promote container vessel status data sharing interface to extend port coverage, and to finish the pilot of container status data sharing. Admit more ports and logistics enterprises to participate in the project.

To expedite the top-level design of logistics information sharing, establish and continuously improve the trans-national user management and authentication mechanism to realize highly effective, secure and service oriented logistics information sharing.

2. Define, maintain and promote logistics information sharing standards.

To devote to improving NEAL-NET port logistics information sharing standard, keep data elements and code system well maintained. In long term view, try to establish cross-reference database among vessel name, call sign and IMO number for logistics enterprise use. To communicate with global standard organizations such as UN/CEFACT, ISO and GS1 to increase the influence of the NEAL-NET standard, push forward the NEAL-NET standard to become a de facto standard in the industry.

3. Quicken the research for the cooperation and communication of Asia-Europe logistics information sharing mechanism.

To accelerate research and form a research team for Asia-Europe logistics information sharing to explore cooperation scope, work plan, and for official establishment of the cooperative and communication mechanism, recalling the 2nd ASEM TMM.

To start to research for the cooperation on logistics information sharing with ASEAN member states and relevant regions.

4. Explore and deepen logistics information sharing service area.

To timely start to study and define the logistics information sharing standards of other transport modes to expand coverage of logistics information sharing from sea to road, railway and air transport, from basic transport mode to sea-land combined transport and drop and pull transport, in the long term.

In order to promote NEAL-NET implementation:

- a. Continuously construct NEAL-NET to make goods and material smoothly distributed and transported among the three countries to support the economic development and enhancement of trade in the region;
 - b. Provide technical support to establish management information system which supports China, Japan, Korea and related countries and regions' intermodal transport based on NEAL-NET cooperation mechanism and NEAL-NET standards; and
 - c. Start early stage research to publish public transport and logistics information of the three countries over NEAL-NET website.
5. Accelerate the research of operational mechanism suitable for NEAL-NET development.

<u>Action Plan 4</u>
<p><u>Exchange of information on maritime transport and logistics in Northeast Asia</u></p> <p>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.</p>
<u>Progress/ Future Work</u>
<p>The three countries have exchanged the statistics of logistics in Northeast Asia, and managed to compare and standardize these data. The Working Group has discussed the application of these data in reducing the environmental impact of shipping, establishing a high value-added logistics services system and developing an efficient transport network among China, Japan and Korea. The final report of the Working Group has been submitted to the third Ministerial Conference held in Chengdu, China, 2010. The first phase of the work has been completed.</p> <p>Proposals for the next phase of work:</p> <p>Task: Exchange of policies, management and advanced technologies on intermodal transport and logistics in Northeast Asia.</p> <p>Goals of work: To enhance the understanding of the three countries on intermodal transport and logistics by exchanging relevant policies, management and advanced technologies, and to deepen cooperation on transport and logistics in Northeast Asia by exchanging and promoting best practices on intermodal transport and logistics in the three countries.</p> <p>Specific action points proposed by China (2012-2014) :</p> <p>Proposed subjects for exchange:</p> <p>1.1 Vessel electronic joint inspection and single window system;</p> <p>1.2 Port intelligent gate system; and</p> <p>1.3 The infrastructure, transport volume and demand of land-sea intermodal transport channels of the three countries.</p> <p>To develop white papers on the outcome of exchange on the above subjects</p> <p>Work procedure:</p> <p>THE THREE COUNTRIES discuss and agree on the proposed subjects;</p> <p>THE THREE COUNTRIES designate officials to prepare documents for the exchange of information;</p> <p>To hold a workshop on the exchange of information in conjunction with the THE THREE COUNTRIES Directors' Meeting, or schedule the workshop separately; and</p> <p>To prepare white papers on the outcome of exchange in 2013 and 2014.</p>

<u>Action Plan 5</u>
<u>Standardization of logistics equipment</u> <u>The three countries can promote standardization of logistics equipment which are being used in the</u> <u>three countries including pallets.</u>
<u>Progress/ Future Work</u> <p>The three countries have set the national standards regarding the size of pallets before the 3rd China-Japan-Korea Ministerial Conference on Transport and Logistics.</p> <p>After the 3rd Ministerial Conference, the Asia Pallet System Federation (established in 2006, of which members are associations representing companies relevant to pallets such as manufacturer of pallets and pallet rental companies in each of Asian countries including the three countries) has conducted the following efforts;</p> <ol style="list-style-type: none"> 1. Formulation of the private standard regarding the size of materials handling equipment etc. corresponding to the standardized size of pallets, in order to promote through-transit palletization through promotion of use of pallets with the standardized size. 2. Formulation of the private standard regarding the materials and the strength of pallets required in returnable-use, in order to promote returnable-use of pallets in intermodal transportation <p>In order to promote through-transit palletization and returnable-use of pallets, the three countries will work towards conducting joint study on the above mentioned private standards that have been formulated by the Asia Pallet System Federation, and towards promoting further use of pallets with the standardized size, materials and strength.</p> <p>The three countries will discuss and study the possibility of standardization of other logistics equipments, and take relevant follow-up actions.</p>

<u>Action Plan 6</u>
<u>Promoting close cooperative relations among ports</u> <p>The three countries can further strengthen close cooperative relations among ports in the three countries through Northeast Asia Port Director-General Meeting.</p>
<u>Progress/ Future Work</u> <p>The 13th Director Level Meeting of Northeast Asia Port Director-General Meeting was held in Seoul, Korea, on May 16th, 2012. The three countries exchanged their views and opinions on various port issues.</p> <p>1. Exchange of Information</p> <p>Three countries made presentations on their own port policies. They exchanged opinions on issues of common concern. The three countries reported the progress of their consultative council research projects and exchanged opinions. Two working groups established in the 10th Port Director-General Meeting also reported their joint research progresses. Three countries agreed to further elaborate their project reports and bring the three projects to the 13th Northeast Asia Port Director-General Meeting.</p> <p>2. Report of the Current Joint Study Outcomes</p> <p>Participants of the Joint Study Working Groups presented the draft final reports of the joint studies accomplished in the past three years. The titles are as following:</p> <p>WG1: Green Port Strategy for Sustainable Development: Reducing Gas Emissions and Enhancing Energy Efficiency.</p> <p>WG1 discussed the framework of the 3rd year report, contents of which include the future direction of green port policy, measurements to reduce GHG in port area and the collaboration policies in Northeast Asia. Each country will produce some suggestions by the end of July 2012 and conclude before the 13th Director-General Meeting.</p> <p>WG2: Measures to Prevent Coastal Disasters Considering the Global Warming in the Northeast Asia Region.</p> <p>Japan and Korea exchanged the latest outcomes of the researches and agreed to further discuss the adaption of port and coastal areas to future climate change such as sea level rising and intensification in storm surges and waves. The Japanese side will combine the research outputs from both sides and make a presentation at the 13th D-G meeting.</p> <p>3. Preparation of the 13th D-G meeting</p> <p>(1)The Director-General Meeting and the Northeast AsiaPort Symposium will be held in Otaru and Sapporo respectively, Japan from October 7th to 11th. The exact session will be decided by later discussions.</p> <p>(2)The theme of information exchange at the Director-General meeting is:"Each country's Port Administration".</p> <p>(3)The themes of the 13th Northeast Asia port Symposium are as follows:</p> <p>"Anti Global Warming Measures of Ports"</p> <p>"Port Development and Regional Economy"</p>

Two speakers from each country will make presentations. The Chinese and Korean sides should send the documents to the Japanese side by September 22, 2012.

4. Themes for New Joint Studies

The three countries exchanged views relating to the topics for the next three years and the operation schemes of the WG, and decided to discuss the details in the 6th Consultative Council Meeting in Beijing.

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 Incheon, Korea, on September 29 2011, Korea hosted a joint seminar on logistics security. The three countries exchanged information on each country's efforts to harmonize logistics security and efficiency.

During the joint seminar, Korea presented the introduction and trends of C-TAPT, the AEO Program, ISO28000, and the ISPS Code. Moreover, recognizing that the cooperation mechanism is required among the three countries to establish an effective logistics security system, Korea proposed to continue mutual cooperation in order to identify such agendas as RFID cargo-tracking and information sharing on dangerous goods through the trilateral logistics experts meetings.

China introduced its logistics information system, container RFID system, RFID auto identification and current cooperation in logistics security among the three countries. In addition, although the ports of the three countries have become more and more important in the global port market due to increased trilateral trade, the trilateral cooperation in developing the logistics industry is still lacking. Therefore, China suggested that the three countries should cooperate in developing a cargo tracking and management system and establish related policies to ensure logistics security in ports in the future.

Japan introduced WCO's AEO Program, which is implemented on recognition of the importance of striking balance between logistics security and logistical efficiency and the adoption and application progress of IMO's ISPS Code.

In order to advance the discussion on such trilateral cooperation and human resources development for logistics security, Korea hosted another expert meeting on March 22, 2012 in Jeju Island, Korea. In order to facilitate the discussion, Korea proposed to organize a joint seminar for faculty and training institutions in the three countries that foster the human resources for logistics security. This proposal is intended to seek for fresh measures by sharing information on the human development programs in the logistics security sector that have been developed and operated in the three countries.

In addition, Korea suggested a joint education program among China, Japan and Korea that will be participated by government officials, faculty members and education institutions from the three countries. This joint program is expected to further the understanding of the logistics security systems among the three countries.

The three countries, in order to jointly respond to the changing international environment concerning logistics security, need to recognize the necessity of joint studies regarding

logistics security, and strive to discuss the details for deciding on the subject of the joint studies.

<u>Action Plan 8</u>
<u>Promoting mutual exchanges, cooperation and joint research</u> <u>The three countries endeavor to develop a joint research guideline to conduct joint studies for logistics cooperation in Northeast Asia more systematically.</u>
<u>Progress/ Future Work</u>
<p>In an effort to systemize joint studies and make them as part of regular procedure, the 2010 China-Japan-Korea Ministerial Conference on Transport and Logistics reached a consensus on establishing "instructions on conducting joint logistics research among the three countries", which will have the following contents.</p> <ol style="list-style-type: none"> 1. Process of exploring joint research agendas 2. Standardization of research schedules 3. Roles to be played by research institutions of each country 4. Evaluations of research results 5. Methods of utilizing research results <p>The three countries, based on the instructions, will strive to effectively explore agenda items of a joint research and to solve problems that can occurred in implementation processes, so that the joint research may be conducted effectively. At the same time, relevant research institutions, organizations, and associations are encouraged to actively take part in such efforts and facilitate the joint research.</p> <p>Furthermore, Korea suggested sharing the results of the joint studies and information collected through the NEAL-NET website. The three countries will cooperate with collecting and sharing logistics-related information of the three countries that is necessary for conducting joint researches to support joint studies.</p>

<u>Action Plan 9</u>
<p><u>Sharing the outcomes of discussion in the field of logistics reported from Northeast Asia Port Director-General Meeting and other meetings</u></p> <p>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.</p>
<u>Progress/ Future Work</u>
<p>In accordance with the agreement reached by Japan, Korea and China in the 11th Port Director-General Meeting, each country has selected a port related subject for research. The development and work plans are as follows:</p> <p>Project 1: Port Pricing System in the Northeast Asia</p> <p>Based on the analysis of current port pricing system in each country, China put forward the suggestion for the framework of port pricing guide. Three countries agreed to provide basic information on the type and scope of the port price, pay and levy bodies, and calculation method etc.</p> <p>Project 2: Promotion of Sea-Land Combined Transportation in the Northeast Asia</p> <p>Based on the analysis of the present situation, Japan will further make progress in the research on advantages and actions of sea-land combined transportation among the three countries. China and Korea agreed to give a positive cooperation to carry out a successful research.</p> <p>Project 3: Promotion of Marina Networking in Northeast Asia</p> <p>Korea analyzed the market demands of marina, current facilities and future plans, as well as presented a case study. Korea also drafted a proposal on the three countries marina network. The three countries agreed to have more discussions on the project. China and Japan will cooperate with providing related information of each country.</p> <p>The three countries will further refine their research and the final reports will be submitted to the 13th D-G meeting in Japan.</p>

Action Plan 10

Establishing environmentally friendly logistics policies

The Three Countries will exchange their views on the environmentally less burdensome logistics policies.

Progress/ Future Work

For the purpose of establishing an environmentally friendly logistics (Green Logistics) system, the three countries strengthened cooperation and made efforts by their own after the Third Ministerial Conference on Transport and Logistics

Progresses and future works are as follows.

1. Strengthened cooperation among the three countries

To realize low carbon logistics among the three countries, the three countries will conduct researches on the feasibility of supporting ship operation to optimize fuel consumption and carry out the pilot project of efficient ship operation

In the pilot project, Japan will provide display device and "Eco-friendly navigation support systems" which analyze the most energy-saving plan on ocean routes and speed with cutting-edge wind and wave prediction function. The pilot project will be conducted using the ships that operate among the three countries.

The three countries will conduct and evaluate the pilot project described above, and will discuss solutions and improvement plans for practical use. The outcomes will be shared among the three countries. Furthermore, the three countries will consider for improvement and promotion of energy-saving solutions for low carbon logistics.

In addition, the three countries will make further joint efforts aiming at development of eco-friendly logistics system such as exchanging information on green logistics policies by holding joint international seminars, initially in the maritime and port sectors.

2. Green logistics policy of the three countries

After the Third Ministerial Conference, the three countries have taken the following measures as green logistics policy in each country. The three countries will make further efforts aiming at development of eco-friendly logistics system.

(1) Japan

A. Energy-saving measures of each transport mode

- 1) Truck Transport:** Promotion of environmentally friendly vehicles by providing tax benefits and supplemental subsidies, establishment of fuel efficiency standards as a future development goal, promotion of eco-driving and increasing the size of vehicles.
- 2) Rail Transport:** Promotion of introducing high efficiency rolling stocks such as hybrid locomotives
- 3) Maritime Transport:** Promotion of energy-saving low carbon vessels and energy-saving operation, and promotion of development of zero-emission ports

B. Promotion measures for development of low carbon logistics by streamlining logistics system

- 1) Promotion of modal shift in trunk line transport by supplemental subsidies on modal shift projects jointly conducted by stakeholders such as cargo owners and logistics service providers, and on introduction of maritime transport equipments such as trailer chassis for coastal shipping and large-sized containers (31 ft.) for railway transport
- 2) Promotion of joint distribute/delivery systems in urban areas which contribute to improvement of logistics efficiency
- 3) Promotion of consolidation of logistics facilities by providing tax benefits, etc.
- 4) Obligating to submit energy-saving plans and energy use reports to rationalize energy use in the transport sector under the Law Concerning the Rational Use of Energy
- 5) Smoothing traffic stream by policy measures including promotion of ITS (ETC, VICS and ITS Spot)

(2) China

- 1) Formulating and implementing commercial vehicles fuel consumption standards to reduce emissions
- 2) Promoting transportation enterprises to use clean energy vehicles like such as NGV
- 3) Promoting the implement action of the drop-and-pull transport in road transport
- 4) Actively promoting water-rail and road-rail multimodal transport
- 5) Expanding the ETC system in expressway
- 6) Establishment and implementation of the logistics information platform
- 7) Developing green logistics education and training, demonstrative projects and green cargo transport

(3) Korea

- 1) Establishment of a comprehensive plan for GHG emissions reduction in the logistics sector by 2020, and introduction of a certificate system for companies participating in the energy saving target management systems and introducing integrated system for gauging of and managing logistics GHG emissions for the goal of creating a culture of voluntary GHG reduction efforts in the private sector.

2) Encouragement of modal shift by;

- providing subsidies to the cargoes that are shifted from road to either railways or coastal shipping,
- improving signal systems, and expanding operation of custom-made express chartered cargo trains for the goal of boosting railway logistics, and,
- developing wharves that can be reliably used by coastal ships aimed at facilitating coastal shipping

3) Making efforts to increasing efficiency of logistics by;

- expanding logistics depots and complexes that are capable of handling multimodal transport,
- expanding joint logistics in the urban core and industrial complexes, and,

committing to upgrading its logistics information through a wider use of the ITS and RFID.

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

Under the common understanding that Third Party Logistics (3PL) business is beneficial for an efficient and effective logistics system in accordance with shippers' needs, the three countries have improved environment to facilitate 3PL business in each country as follows.

In Japan, the government has promoted the "3PL Human Resource Development Program" in cooperation with related associations and has facilitated the establishment of proper partnership between logistics companies and shippers. In addition, the "Act of Logistics Integration and Efficiency" was established to support logistics companies that provide integrated and efficient logistics through consolidating transportation networks. Through these efforts, services have appeared in accordance with shippers' new needs, such as environment-friendly 3PLs and overseas deployment in Asia by Japanese 3PL providers.

In Korea, the government has promoted 3PL business with financial supports and tax benefits to shippers that outsource their own logistics services. In 2011, to further promote 3PL business, the government expanded the tax benefits for shippers and the special tax benefits are offered to shippers in order to promote the sales of their own logistics facilities.

In China, the government announced measures related to logistics such as tax benefits to logistics companies and measures to promote the integration of logistics facilities in 2011, in order to facilitate the development of logistics, including 3PL business. In addition, the government has focused on further promotion of education on logistics, including 3PL.

As indicated above, the three countries have steadily created conditions to facilitate 3PL business. The three countries will deepen their efforts both in government and private sectors to ensure the further development of 3PL business such as further promotion of 3PL business by comprehensive logistics companies and expansion of high-value added services in accordance with shippers' needs. In addition, the three countries will endeavor to lower non-physical barriers that 3PL companies face when conducting services in other countries and continue to exchange information on efforts to promote 3PL business in each country.

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

In order to strengthen cooperation with ASEAN member countries in the field of logistics, the three countries will share information and opinions on each country's efforts on high-level conferences such as the ASEAN Senior Transport Official Meeting (STOM) and the ASEAN Transport Ministers Meeting (ATM).

The three countries, in order to increase efficiency of logistical cooperation between Northeast Asia and ASEAN, will avoid unnecessary competition among the three countries when cooperating with ASEAN on logistics and will jointly pursue cooperative projects. To this end, the three countries will work to explore possible cooperation areas that can be jointly pursued by the three countries among the ASEAN cooperative projects, which are currently conducted individually by each country - Korea, China, and Japan. In particular, in order to explore the kinds of cooperative projects that are needed by ASEAN member countries, the three countries need to develop multi-faceted ways of exploring project agendas, including polls, interviews, and holding seminars targeted at ASEAN countries.

The ASEAN Unit Load system education program needs to be conducted with an objective to share experiences and knowledge of the three countries in the field of logistics that include containers and pallets. The three countries need to make efforts to expand their programs by thoroughly investigating the demands of ASEAN and the current status of the existing ASEAN Unit Load system education program, based on which a foundation for integrating a logistics system between Northeast Asia and ASEAN can be established.

Going forward, as has been continued, the three countries will jointly pursue logistics cooperation with ASEAN by sharing and disseminating model cases of logistics cooperation between the three countries and ASEAN in the field of logistics. Furthermore, the possibility of the establishment of the ASEAN plus the China-Japan-Korea Ministerial Conference on Transport and Logistics (10+3) will be explored as well.