

Tottori Declaration

The 6th GTI Northeast Asia Local Cooperation Committee Meeting
13 July 2018, Royal Hotel Daisen, Tottori Prefecture, Japan

1. Introduction

The 6th Greater Tumen Initiative (GTI) Northeast Asia (NEA) Local Cooperation Committee (LCC) Meeting was concluded on 13 July 2018, Tottori Prefecture, Japan, with the participation of the Governors of Dornod Province and Tottori Prefecture, senior officials from the central government of Republic of Korea, Jilin Province, Heilongjiang Province, Liaoning Province, Tottori Prefecture, Busan Metropolitan City, Gangwon Province, Inner Mongolia Autonomous Region, and representatives from private sector, research institutions and international organizations.

The LCC Members reviewed with satisfaction the progress achieved in local cooperation since the 5th GTI NEA LCC Meeting held on 16 August 2017 in Heilongjiang Province, the People's Republic of China. All members reaffirmed their commitment to making continuous effort to strengthen further cooperation in the Greater Tumen Region (GTR) by harmonizing policies, sharing information, and carrying out concrete projects in the priority sectors of agriculture, energy, environment, trade and investment, transport, and tourism.

All LCC members expressed their commitment to further enhance the LCC as a platform that contributes to sustainable development and mutual prosperity in Northeast Asia.

The LCC Members congratulated on the success of the 5th Local Development Forum (LDF). They reaffirmed the significance of improving cross-border transport infrastructure, simplifying customs clearance procedures, and implementing supportive policies in lowering transportation cost and increasing trade volumes, and noted that the stability and sustainability of existing routes, exploration of new sea-land routes, information sharing and expertise exchange as well as scientific research on cross-border transportation issues are critical for regional cooperation. The LCC Members also recognized the fundamental role of national development strategy and multi-lateral cooperation in boosting regional transportation, logistics, and trade growth and appreciated private sector's contribution to regional development.

The LCC Members reiterated the importance of the Logistics Sub-Committee (LSC), recognizing the significance of the meeting with the Far Eastern Customs Directorate of Russia and the Administration of Vladivostok Port and the meeting with the Administration of Zarubino Port in strengthening communication and yielding solutions to simplify customs clearance procedures in GTR. The LCC Members also congratulated on the successful conclusion of the Pilot Transport Testing Project (Mudanjiang - Suifenhe - Grodekovo - Vladivostok - Donghae - Sakaiminato) and the first trial of the new Pilot Transport Testing Project (Changchun - Hunchun - Zarubino - Vladivostok - Donghae - Sakaiminato) and look forward to the second trial of the Pilot Transport Testing Project. The LCC Members also reaffirmed the benefit of the continuous update and improvement of the Assessment Form on Logistics Barriers as an integral tool for identifying and addressing logistical barriers.

Members vowed to consider concrete problems in further research and other joint cooperation projects.

2. Review of "Go back to 2011" & Perspectives from local governments

The LCC Members reviewed the report on the session II "Go back to 2011" of the Preparatory Meeting for the 6th GTI NEA Local Cooperation Meeting. The exercise had been provided by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and was designed to evaluate the needs of LCC Members and the operation mode of LCC framework for the future by reflecting on LCC's work since its establishment in 2011. The LCC Members provided insightful perspectives reaffirming the achievements so far and building on the progress to better lay out directions for practical work of LCC for the period ahead.

The LCC Members reached consensus on and reemphasized the necessity for identifying, prioritizing, assessing and implementing concrete projects under the LCC framework. It is unanimously agreed that the immediate report of project progress will facilitate follow-up discussions.

LCC members agreed that continuous effort should be made to invite new members and broaden the involvement of the private sector. Specialised parallel session to accommodate the need for regional business-cooperation are seen as a vital contribution of the LCC to the regions sustainable development. A technical guide on the LCC Mechanism and the working procedures should be drafted and distributed to LCC Members to help new members and partners understand the framework.

The LCC Members agreed upon the participation in an online survey designed to identify needs and resources for capacity building of local level government officials under the LCC mechanism.

The LCC Members shared their views on the future development of the LCC as a platform local cooperation within Northeast Asia .The LCC Members recommended working jointly to utilise given opportunities for improving regional cooperation mechanisms and platforms to realize mutual benefit and common development. The LCC Members agreed to work together to simplify customs clearance procedures, reduce cost of passenger flow and cargo transport, accelerate infrastructure construction, and facilitate regional communications in Northeast Asia.

3. Project proposals

The LCC Members reviewed the Chita Logistics Hub project proposed by Zabaykalsky Krai, Russian Federation, and agreed to work jointly to attract private investment for the successful construction of the industrial park and consolidated export area. The LCC Members recognized the project's potential to boost trade volume and lower logistics cost for trade between China and Eastern Russia.

The City of Busan introduced Milk Run Logistics System project that is being conducted between Busan and Kyushu of Japan. The LCC Members reviewed the project, which will be further structured and formatted to be submitted to LCC for consideration in due course. The

City of Busan reiterated that combined efforts of the LCC members would be needed for expansion of Milk Run Logistics System. The LCC Members recognised that Milk Run project has an enormous potential for economic development of Northeast Asia yet commented that identification of more concrete action regarding industry research and partnership building should be considered in order to develop the project ideas further.

ERINA introduced its new transport testing project connecting Manzhouli (China) and Niigata(Japan) through Suifenhe(China) and a Russia port. The project is still under consideration to be implemented under the LCC framework in collaboration with Heilongjiang province and SWIFT transportation company and its details will be submitted to LCC for review.

Dornod province proposed two project initiatives, respectively aiming for regional agricultural and tourism cooperation. The agricultural initiative indicated providing naturally-grown agricultural products and grass-fed livestock to the NEA region by utilizing intensive agricultural methods and advanced technologies. The “Community-Based Tourism” initiative, which is still a concept, intends to strengthen cross-border and border area tourism by deregulating the short-term visa regime and offering one-package tourism products.

4 .New Membership

The LSC Members warmly welcomed Yingkou City to be a new member of the Logistics Sub-Committee (LSC). Boasting Yingkou Port, the 8th largest port in China, and Yingkou area of China (Liaoning) Pilot Free Trade Zone, Yingkou has made itself one of the most attractive regions in China to promote logistics, tourism, trade and agriculture. With the accession of Yingkou City, at the time of the 6th LCC Meeting, LCC and LSC would have twelve and nine members, respectively. The LSC Members recognized that the family of the LSC has been steadily growing and appealed that it was time to make greater progress towards concrete cooperation projects. Local governments unanimously agreed to consider introducing new members to LCC and LSC.

5 • Partnership of LCC

The LCC Members welcomed representatives from the private sector, research institutions and international organizations to share their insights and viewpoints on local cooperation.

The Economic Research Institute for Northeast Asia (ERINA) from Japan appealed to local governments to deepen engagement and fully capitalize on the platform that GTI offers. ERINA recognized the distinctiveness of GTI as a unique local-development-oriented mechanism, by which local governments can realize their projects with the support of other members (GTI EXPO) and bring local-level cross-border issues to the attention of central government of the neighboring countries.

ERINA commended the outcomes of the meeting with Far Eastern Customs Directorate of Russia in April 2018, suggested to promote more interactions between central and local governments and invite chairing countries of each GTI sectorial Boards or Committees to the

annual LCC meeting. ERINA also expressed their willingness to continue supporting partnerships between the GTI and the Japanese public and private sector.

Changchun International Land Port Development Co., Ltd from China elaborated on the operation mode of its “International Multimodal Terminal” which covers rail, air, road, and sea, reported on the successful conclusion of the NCEXpress I (Changchun - Manzhouli - Europe) and called for support from Jilin and Russian customs, railways, and related departments for the smooth implementation of the trial of the NCEXpress II (Changchun - Hunchun - Europe).

Liaoning Shen-Ha & Hongyun Railway Logistics Co., Ltd. from China introduced its Yingkou-centered international sea-land transport corridor that passes through Manzhouli and Erenhot connecting Northeast and Southeast Asia and Europe, and appealed to GTI member states for more practical support in attracting investment, coordinating policies, and facilitating transportation.

Swift Transport International Logistics (Suifenhe) Co., Ltd. from China shared its experience in implementing the Pilot Transport Testing Project (Mudanjiang - Suifenhe - Grodekovo - Vladivostok - Donghae - Sakaiminato), emphasizing the importance of transportation and hence enhanced infrastructure investments in the region. Based on the eastbound China-Europe Block Train service they called for attention to cooperation opportunities between related provinces with the present operation of inbound block trains from Russia to China.

The LCC Members expressed strong belief in deepening partnership through cooperation and coordination among central governments, local governments, private enterprises and international partners in facilitation of trade, investment and logistics.

6 . Next Steps

Khentii Province expressed its commitment to hosting the 7th LCC Meeting in 2019. Gangwon Province invited all LCC Members to the 2018 GTI International Trade & Investment Expo, and LCC Members pledged their full support.

This Declaration will be presented to the 19th GTI Consultative Commission Meeting for the consideration by central governments, thus to further facilitate inter-governmental policy coordination between GTI Members.

The LCC Members expressed their gratitude to the Tottori Prefectural Government for hosting the 6th GTI NEA LCC Meeting and the GTI Secretariat for its diligent efforts in maintaining support to the regional platform for local governments within the region.

LCC members:

People's Republic of China

People's Government of Heilongjiang Province

People's Government of Inner Mongolia Autonomous Region

People's Government of Jilin Province

People's Government of Liaoning Province

Japan

Tottori Prefectural Government

Mongolia

Dornod Provincial Government

Khentii Provincial Government (absent)

Sukhbaatar Provincial Government (absent)

Selenge Provincial Government (absent)

Republic of Korea

Busan Metropolitan City

Gangwon Provincial Government

Jeju Special Self-Governing Provincial Government (absent)

13 July 2018

Tottori Prefecture, Japan