



# **Trend of China Container Industry & Opportunities under Belt & Road Initiative**



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**01**

**China Container Industry Association**

**02**

**Trend of Container and Intermodal in China**

**03**

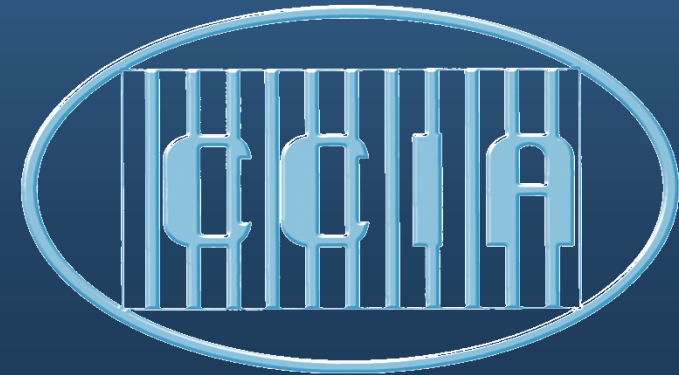
**Opportunities under B&R initiative**



**01**

# China Container Industry Association (CCIA)

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- **Founded in 1993, CCIA was initially supervised by the MOT of the People's Republic of China. As a nationwide industry association, members are from various areas like container manufacturing, transport, logistics, leasing, test and technological services, including enterprises, research institutes and individuals.**
  - **Since the 6<sup>th</sup> council in 2014, CCIA has focused on Intermodal transport as well as container manufacture to drive the industry's development.**
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**中国集装箱行业协会**  
China Container Industry Association



# CCIA Members-Integration of Container & Intermodal Industry chain

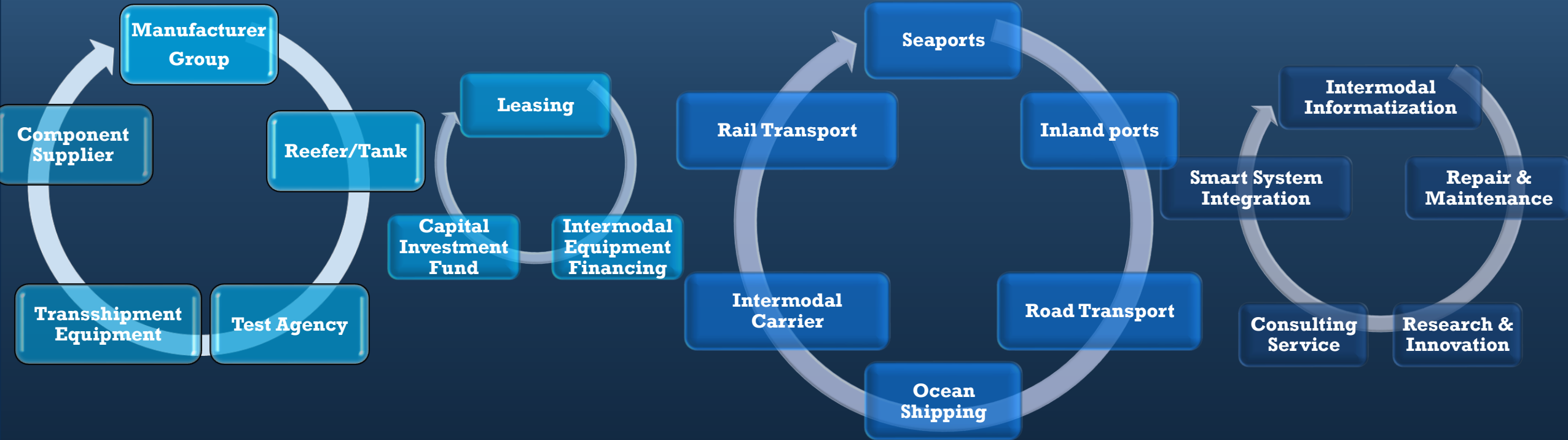


## Container Production

## Container Finance

## Container Shipping

## Container Technological Service



**Safety & Environmental Committee**

**Tank Committee**

**Intermodal Transport Committee**



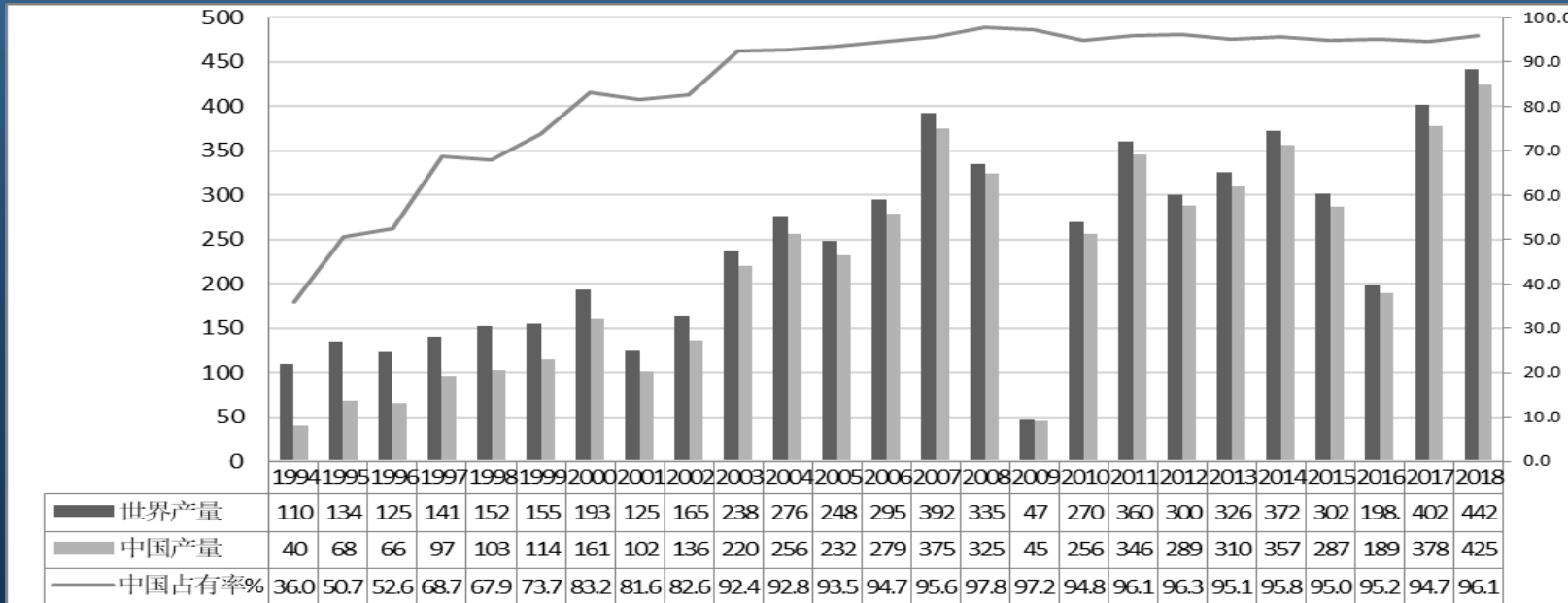
**02**

## **Trend of Container and Intermodal Development in China**

# China Container Industry Development & Trend

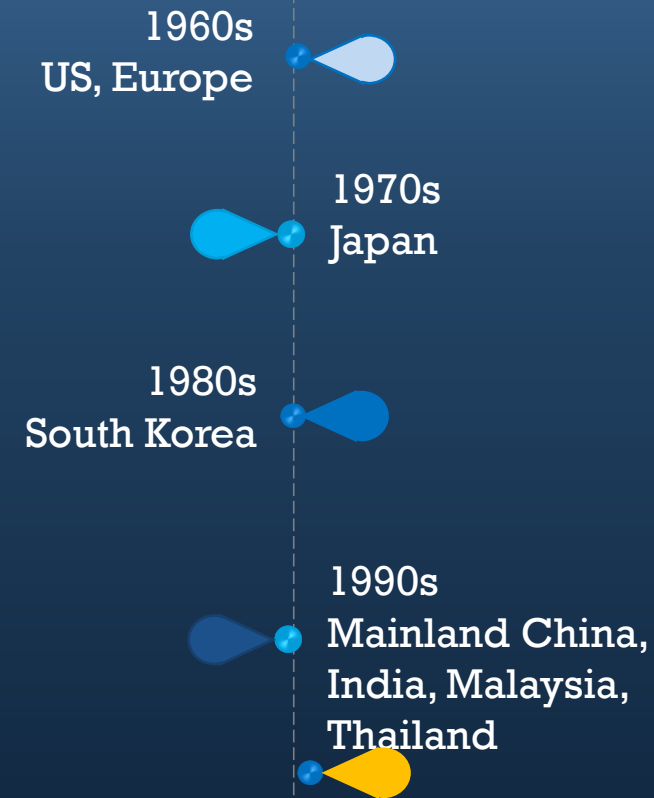


## Production & Sales in China rank 1<sup>st</sup> of the world for 26 yrs



- China is upgrading to be a container and related equipment manufacturing power instead of simply production volume concentrated. The industry will still be an oligopoly market.
- Container manufacturers in China have the world's leading production capacity. In 2018, its container production volume broke the historic record with **4.25 million TEU**, increased by **12 percent** comparing to 2017, and the market share reached to **96.1 percent**.

## Timeline of Container Production center moving

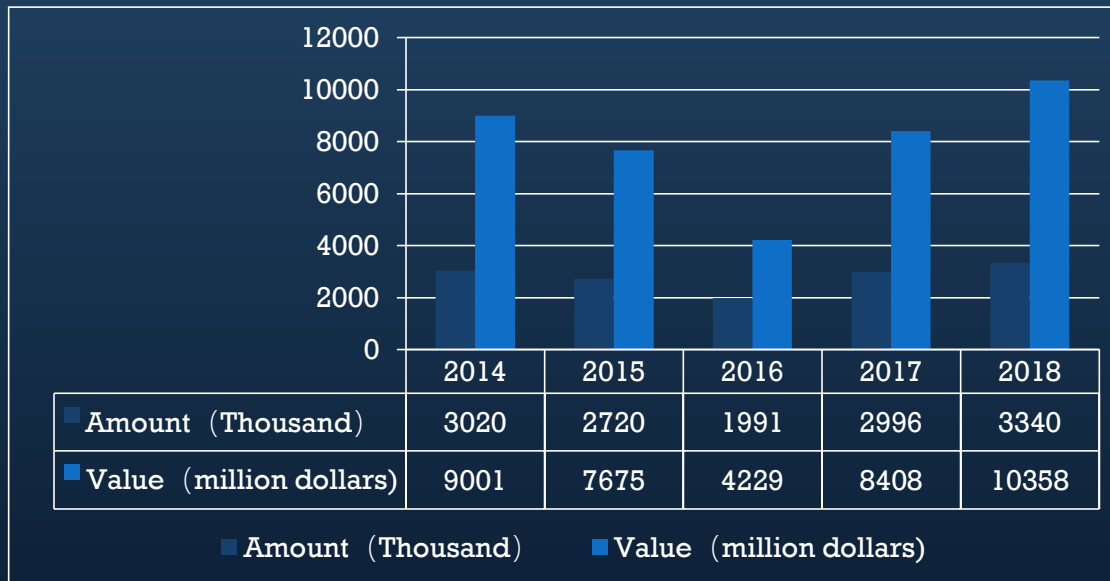
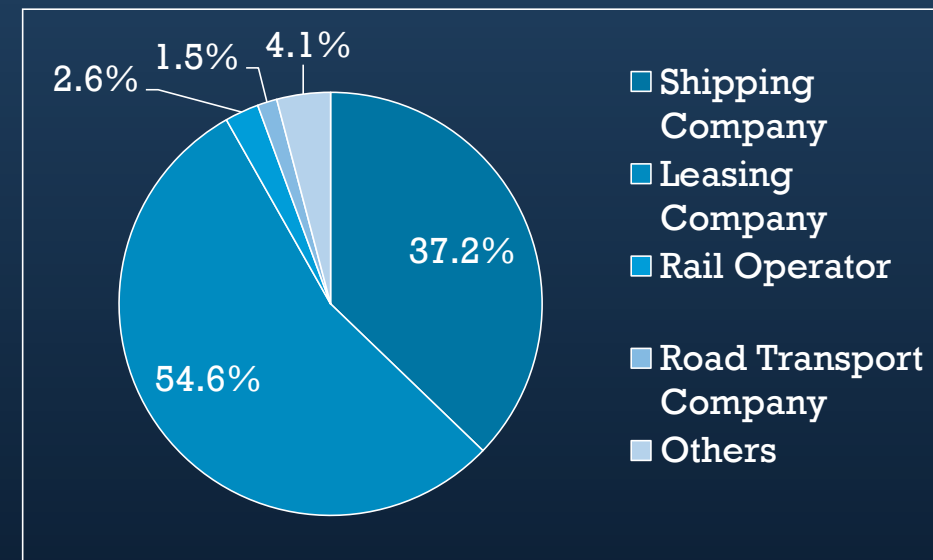
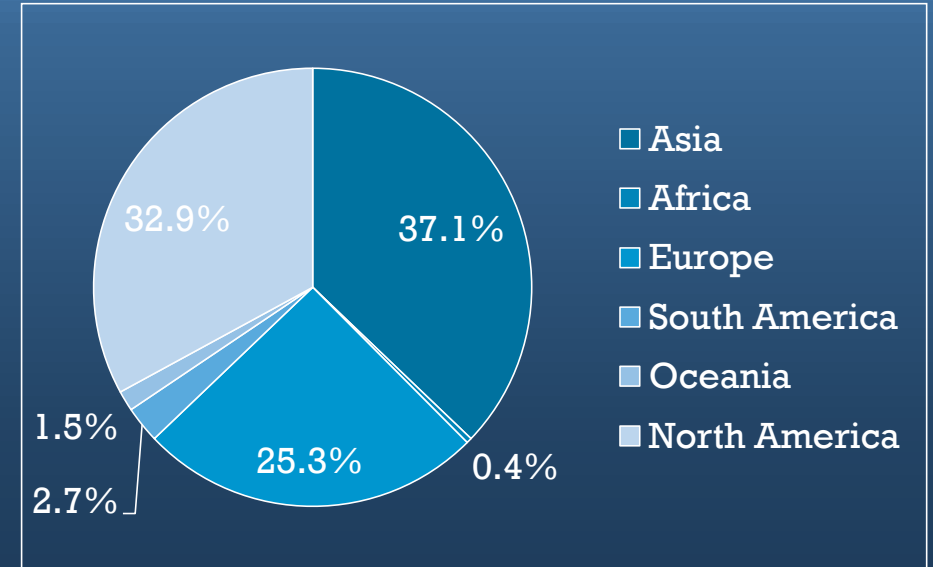


**1993**  
**Production volume in China ranked the 1st**

# China Container Industry DEV. & Trend -Market



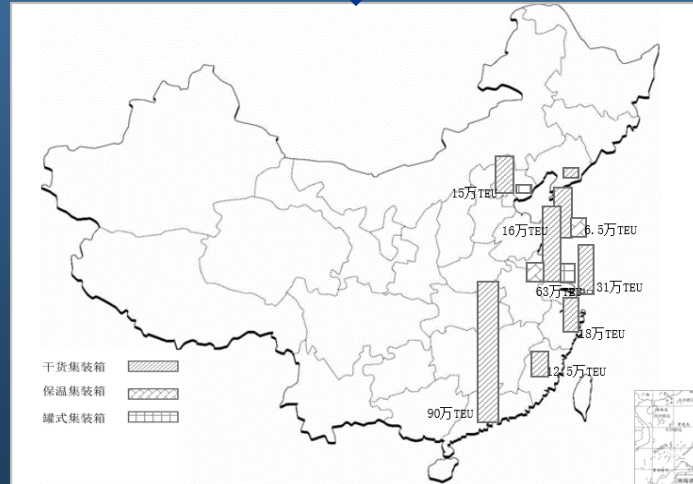
- Most of the containers produced in China are exported to overseas markets. Over 90 percent of the container sales are out of China market.
- In 2018, China exported 3.34 million containers (with pallet box included), the value is about 10.36 billion US\$. The amount and the value were increased by 11.5 and 23.2 percent. However, production and sales in 2019 dropped heavily.



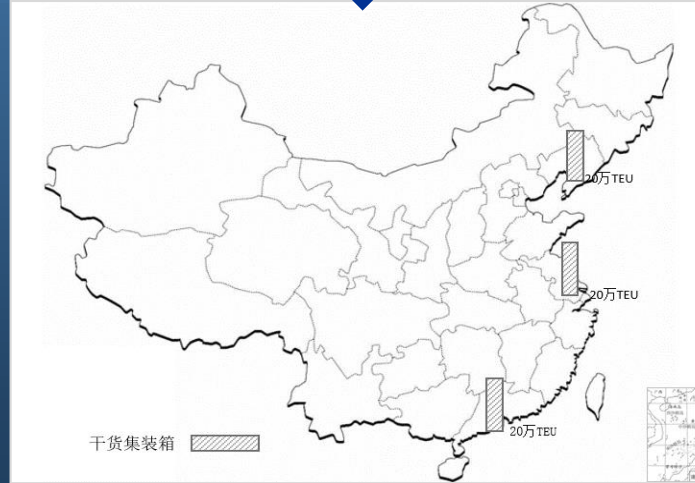


# China Container Industry DEV. & Trend – Production sites

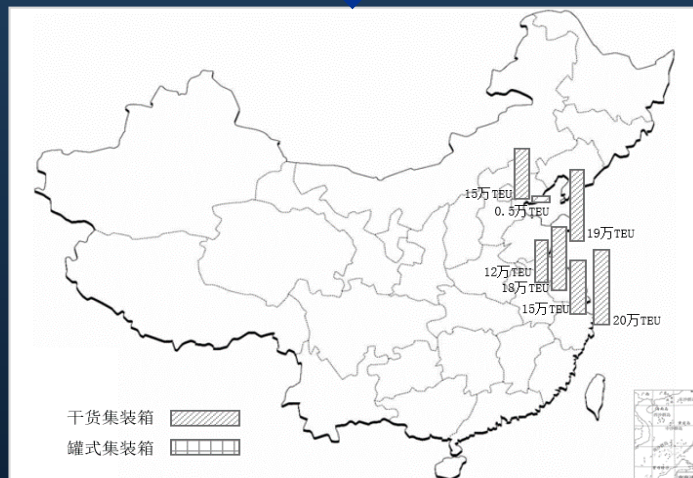
## CIMC



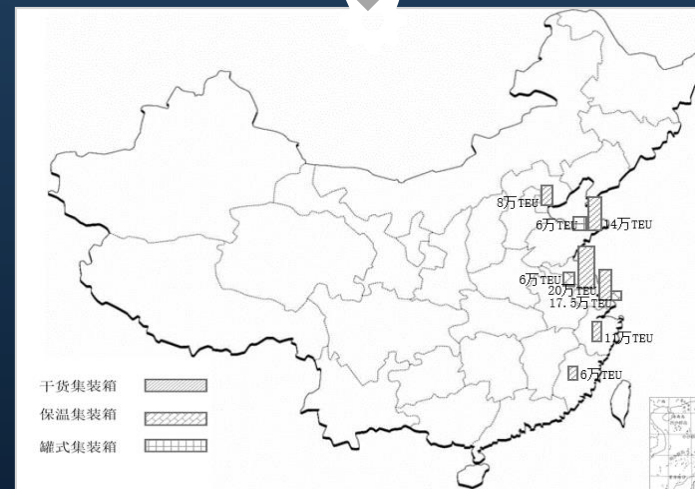
## Shanghai Universal



## CXIC



## Singamas



### Located near hub port

- 7 out of top 10 container ports of 2018 are in China. Most of the container production sites in China are located near the ports.

### Production in YRD account for nearly 50%

- The total production capacity in China is around 5.5 million TEU, distributed in Bohai sea region, Yangtze River Delta and Pearl River Delta, with 45% from YRD area.



## Global Market Keeps Stable

- The demand of containers still mainly comes from shipping industry. The structural change will not happen in a short term.



## Niche Market Will Expand

- Market potential of reefer and tank will be great. Reefer container for both road and rail transportation will grow with cold chain logistics and intermodal transport develop.



## Green Production Remains Vital

- To meet the requirements of national environmental policy, water-borne coating has been fully used in container production since April 1st, 2017 to replace oil-base coating.



## Domestic Sales Grow

- Demand from domestic market keeps expand due to the greater attention to intermodal transport. Containers applied for inland transportation is one of the key area to dig.



## Product Categories Enrich

- Open Top~, Flat Rack~, Half Height~, High Cube~, Container Housing, Dismantling Folded~, Liquid Bulk~, Open Side~, Special Container for Gas, Asphalt~, Vacuum~



## Smart Manufacturing Upgrades

- To improve the automation level, the development of new equipment is accelerating, which drives container manufacturing to INDUSTRY4.0 era.

# China Intermodal Trend-GOV Promotes Intermodal System



Authorities

**Macro BG**

Key Market

Enterprises  
Product

Foundation  
Project

## Institutional Environment of Intermodal Transport

NDRC

**Facilitation of  
International  
Trade**

Road-Rail

Intermodal  
Transport  
Operator

Rail Freight  
Market reform

MOT

MIIT

**Cross-nation  
Logistics  
Corridor Built**

Rail-Water

Intermodal  
Transport  
Product

Intermodal  
Technology  
Innovation

Customs

International  
Railway

MOC

**Transport  
Structure  
Optimization**

Air-Land

Intermodal  
Transport IT  
Platform

Hub  
Planning &  
Building

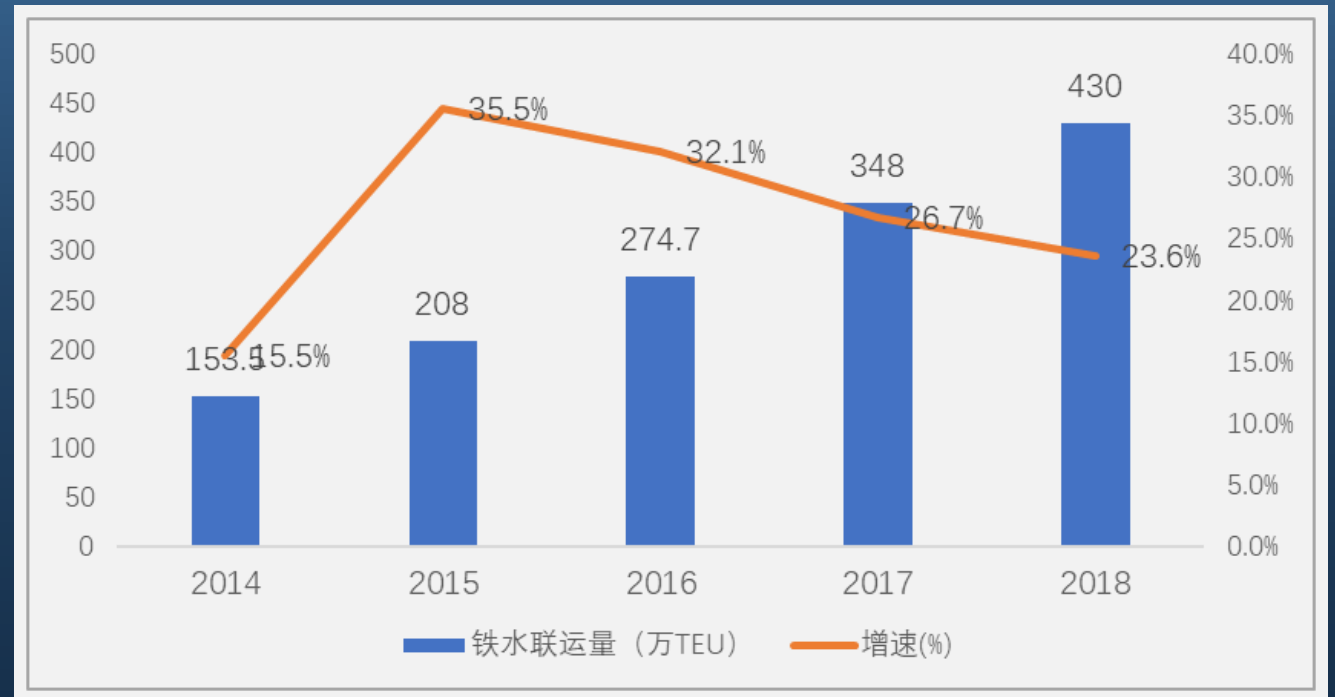
MOEE

## Standardization System of Intermodal Transport

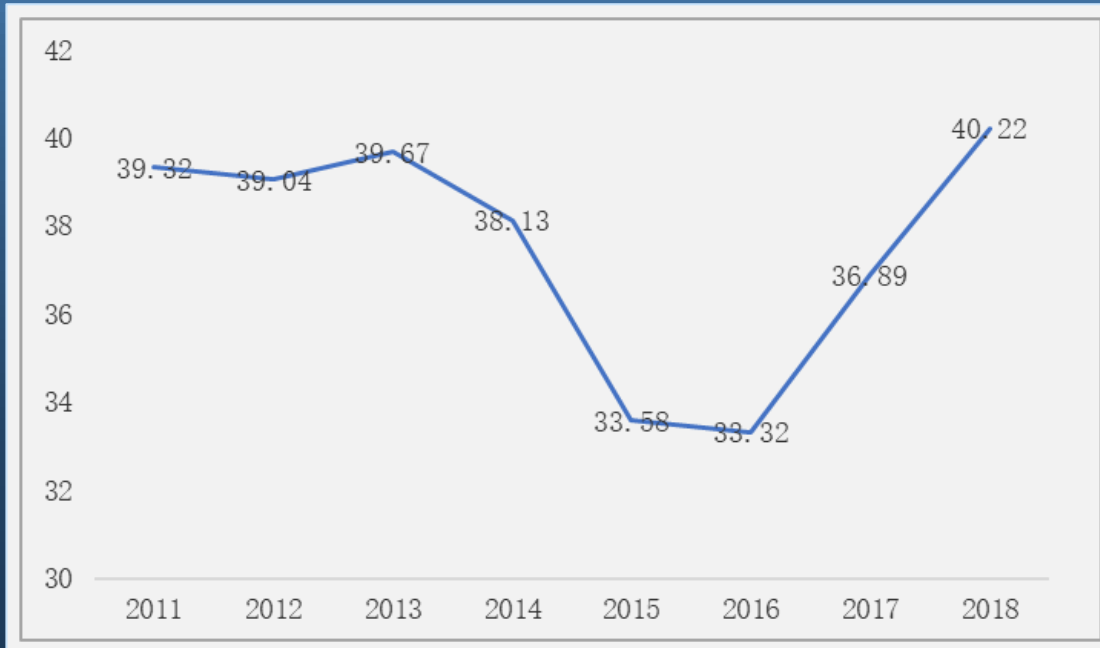
# China Intermodal Trend-Rail-Water Breaks Records



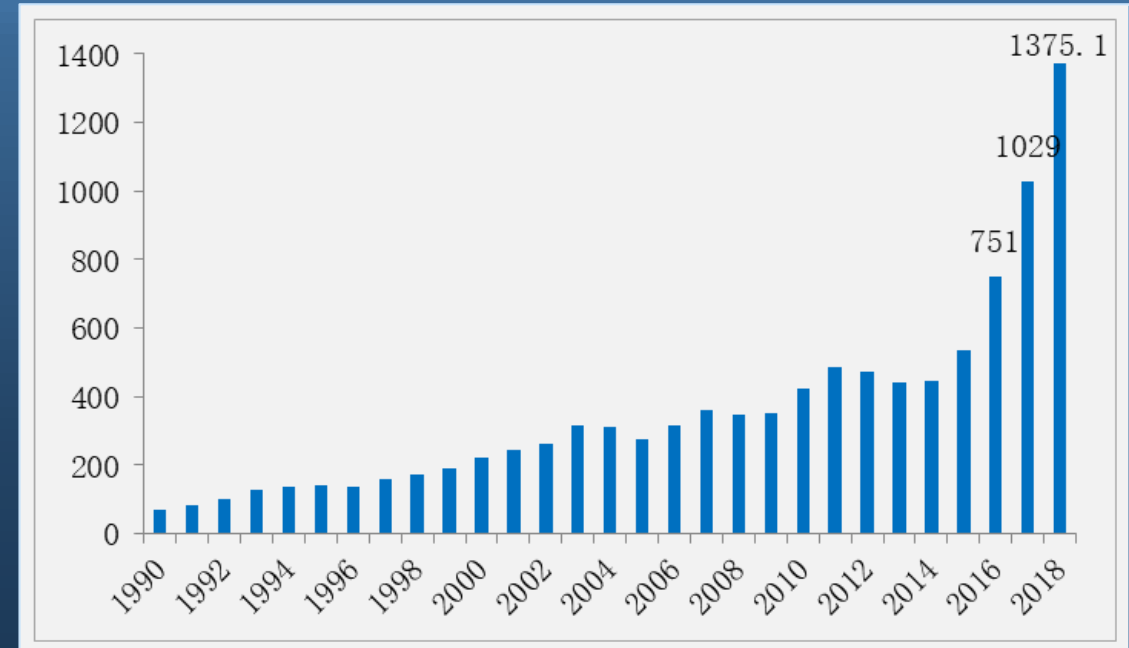
- In 2018, containers by rail-water intermodal way in major ports of China reached to 4.5million TEU, with an increase of 29.4 percent, accounting for 1.8 percent of those ports handling capacity. Average increase rate arrived to 27.8 percent for recent 5 years, which is higher than the setting target of 10 percent in related policy.



# China Intermodal Trend-Container Shipped by Rail Grows



- In 2018, tonnage of freight dispatched by rail is 4.026 billion, with an increase of 0.337 billion and 9.1 percent. The transportation of container, vehicle and express good have increased by 44.6%, 25.1% and 2.3%.

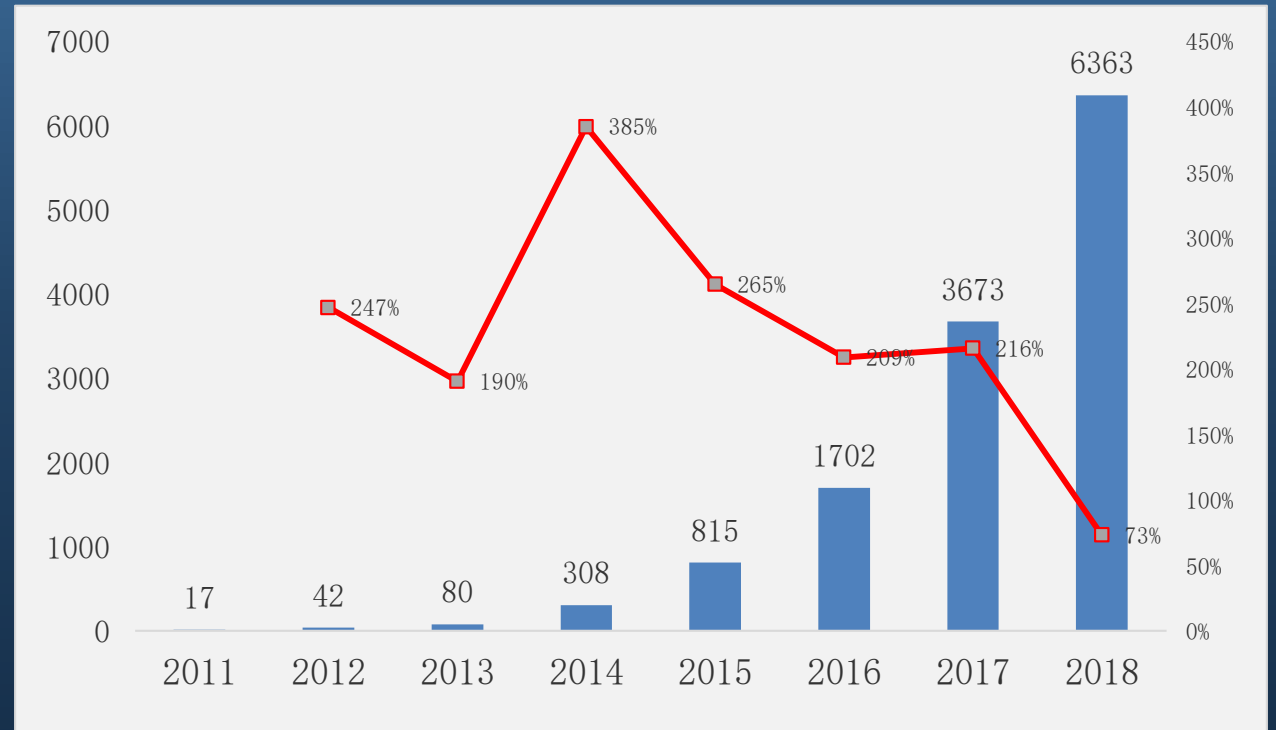


- In 2018, containers dispatched by rail is 13.75 million TEU, with an increase of 33.4%. It has been the third year that the increase rate is above 30%.

# China Intermodal Trend-China Railway Express Rises



- **China Railway (CR) Express to Europe has developed for 8 years, with a performance of 18,000 servicing trains. 59 cities in China have built connections with 49 cities in Europe from 15 countries. Now 65 CR Express routes have been developed.**
- **Cargo range is expanding. Under the administration of CR Express Coordination Committee, operators pay more attention to service quality. Brand effect is obvious.**





# China Intermodal Trend-Changes



**1 Start to focus on Effectiveness.**

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**2 Transport mode increases.**

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**3 Infrastructure improves.**

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**4 Technology innovation speeds up.**

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**5 Logistics corridor upgrades.**

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**6 Market players diversifies.**

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# China Intermodal Trend-Changes

**In the next 3 years, the performance of intermodal transport in China will grow rapidly.**



- The development plan for Guangdong-Hong Kong-Macao Greater Bay Area
- Economic integration of the Yangtze River Delta
- New Land-Sea Corridor in West China Development



**Cross-Industry collaboration accelerates, platform enterprises increase**

- Capital cooperation between rail operator and logistics company grows.
- Cooperation by entities from different areas grows.



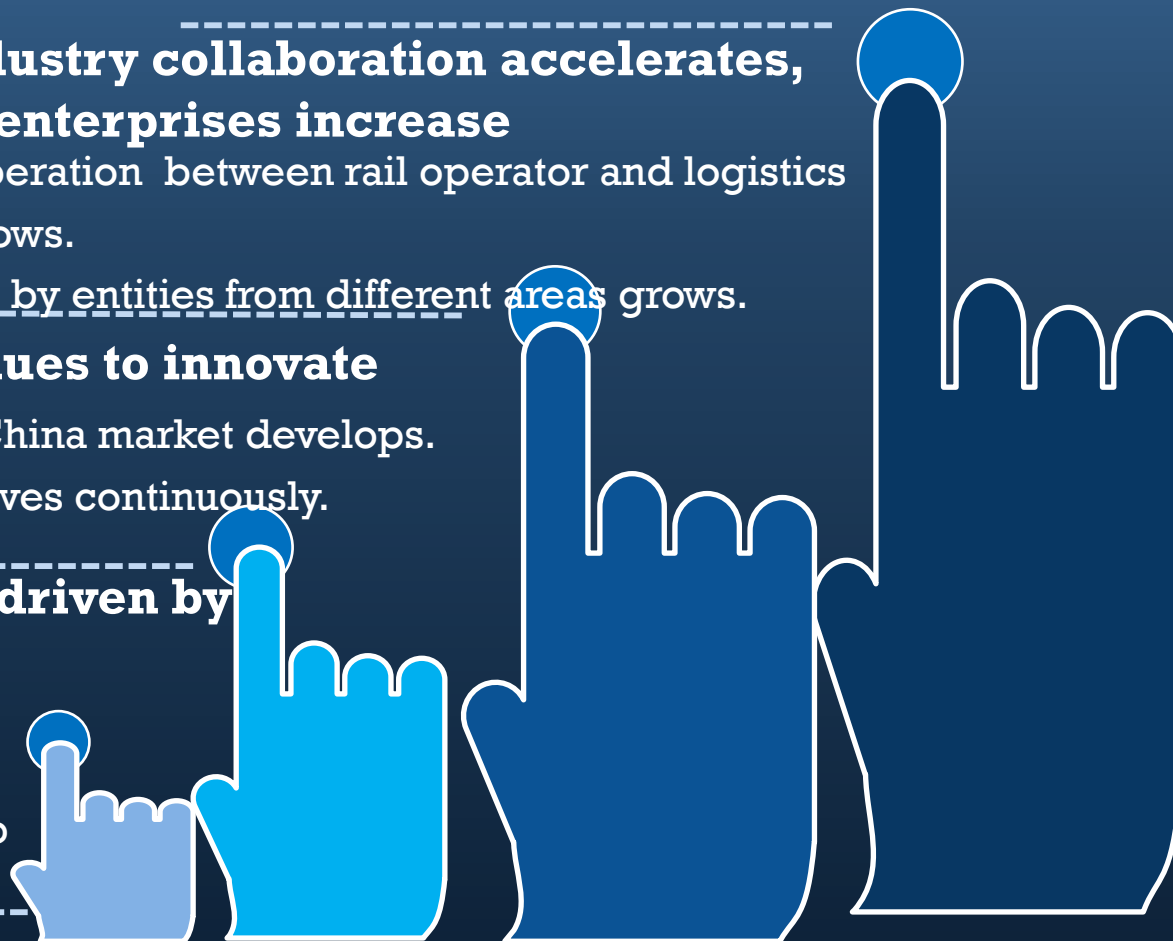
**Technology continues to innovate**

- Equipment applied in China market develops.
- Smart equipment improves continuously.



**Rules & Standards are established driven by hubs and corridor development.**

- Intermodal Bill of lading, Transport & Trade Synergy, IT systems, Equipment Standard, Operation Rules will established step by step based on the industry practice.







**03**

## **Opportunities under B&R initiative**

# Global Logistics Corridor Change Driven by B&R

## Route

From maritime-centered to land-sea combined

## Mode

From transport channle to logistics corridor due to trade demand varies

## Service

From single mode transport to intermodal network due to inland open need



Traditional corridor focused on the Eastern China and are mainly horizontal . The development of CR express moves the center to the west part. Now southern area is rising. The corridor network is forming, which expands the openness of west part of China and reducing the economic dependency on natural resources.

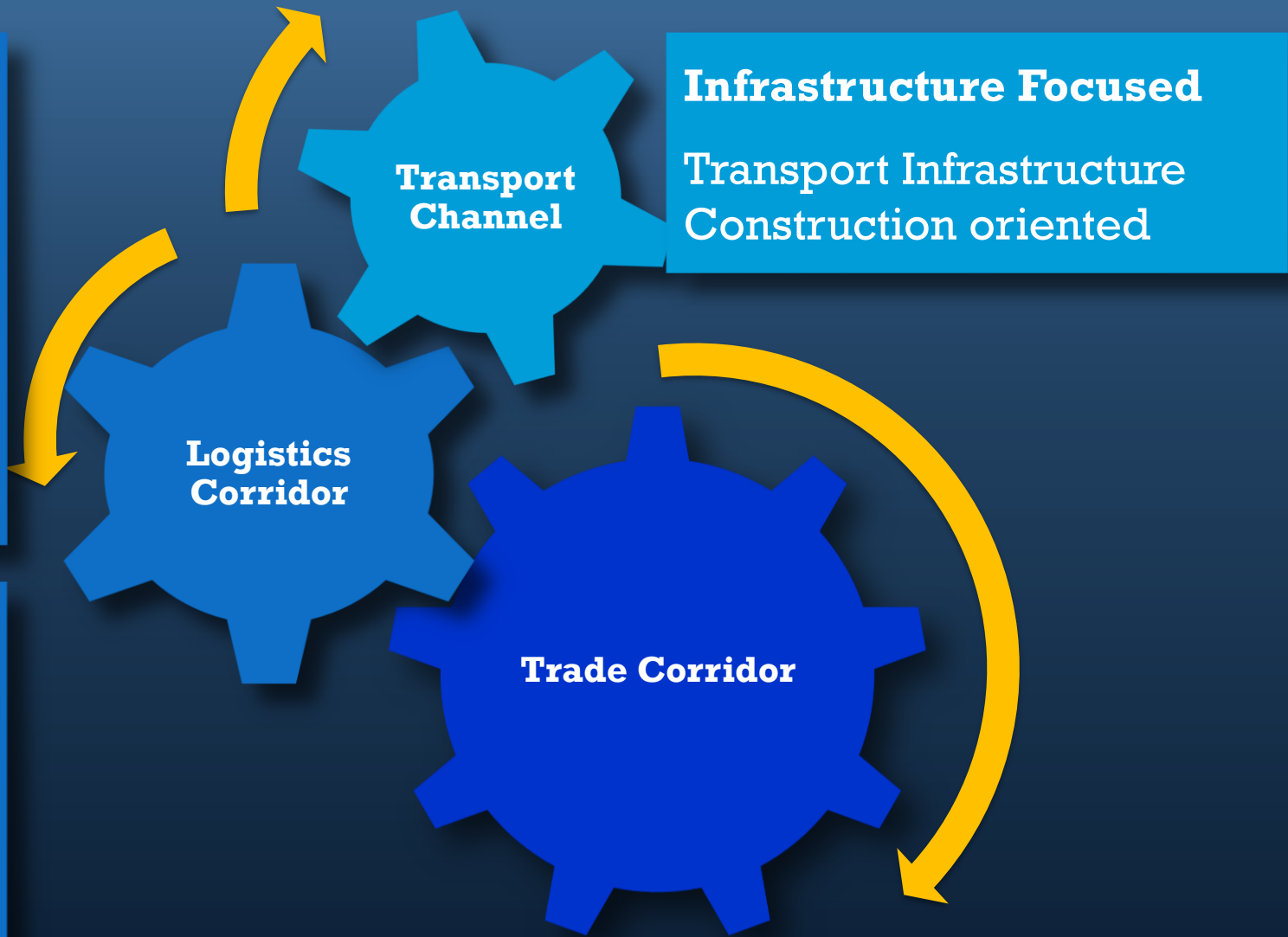
# ■ New Logistics Corridor Drives Economy Development

## Infrastructure & Network

Logistics network and elements integration concentrated, mainly achieve networking of transport channels and normalizing of transport operation, in order to build intermodal system to provide service.

## Infrastructure & Network & Trade

Hub develops with the integration of supply chain links, and improvement of trade facilitation level. Supply chain is reconstructed based on corridor route and hub distribution.



# Logistics Hub Economy

A

- **Transshipment scale drives the development of transshipment center**
- **Public service platform provides logistics resources**
- **Cost efficiency attracts logistics industry concentrate.**

B

- **Logistics activities brings goods and materials flow**
- **Logistics companies make a significant contribution to regional financial revenue**

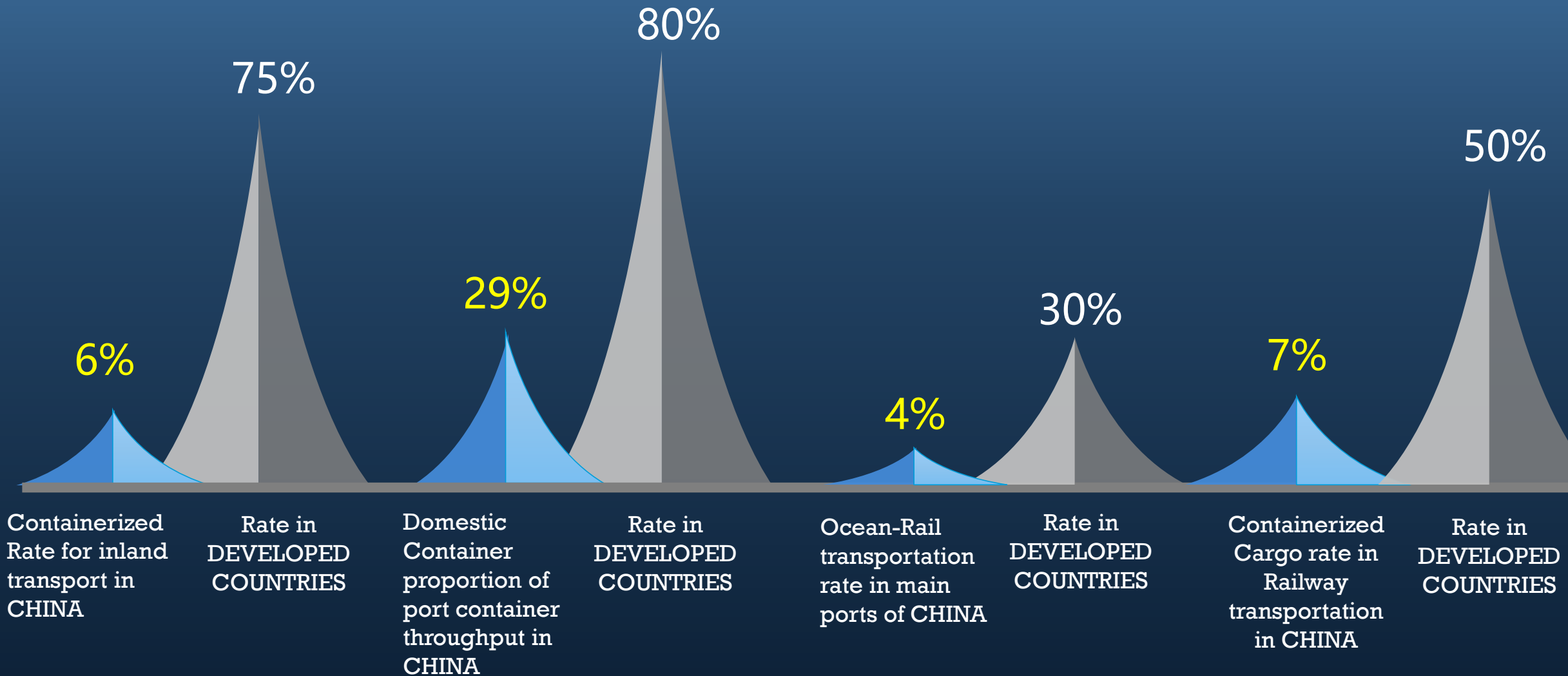
C

- **Goods and Materials flow promotes trade, RDC cluster forms**
- **Gateway opens and FTZ is set up**
- **Capital is accumulated**

D

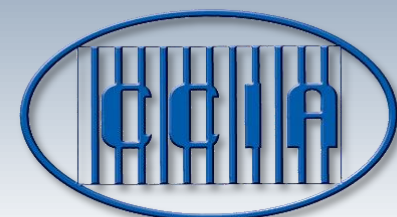
- **Cost and efficiency focused companies invest into the cluster**
- **Logistics drives economy development**

# Container & Intermodal growth potential will be huge in China





**Thanks for Listening!**



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China Container Industry Association

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