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## The East by West Corridor Project

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Virtually all the international trade of China's northeast provinces currently requires two to five days of overland transit and passes through the port of Dalian. This port is heavily overworked, and China is experiencing severe shortages of containers because of the imbalance of its trade with the U.S. West Coast. By contrast, the overland transit time from Jilin or Heilongjiang Provinces to the ports of the Russian Far East is one day or less, and those ports are currently operating well under capacity. Moreover, a large percentage of containers are empty when they leave Vladivostok, Zarubino, and Vostochny on ships returning to the United States. Obviously, Chinese, Russian and U.S. trade could all benefit if products from China's northeast region can be exported through Russian ports. The Russian ports have an added advantage over Dalian, because they are 1,500 miles (2,400 km) closer to the U.S. West Coast.

To expedite the transit of cargo along this route, the East by West Corridor Project was launched by the U.S. West Coast–Russian Far East Ad Hoc Working Group (AHWG) under the Joint Commission on Economic and Technological Cooperation. Preliminary discussions between representatives of the three countries began in December 1997 and are continuing at a technical level to fully develop the concept.

This presentation examines the savings that can be achieved in overland transit time, port throughput time, and marine transport time, as well as other cost savings and economic benefits for all three countries. It also reviews the infrastructure that needs to be developed and institutional changes that need to be made, in order to facilitate movements of goods along this corridor.

The short-term goal is certainly achievable: to create a smooth, efficient, and cost-competitive route linking these three trading partners, as well as Japan and Korea. This major trade route—once it is established and operating in a credible manner—will create new opportunities for trade and investment in China's northeast and the Russian Far East and will open these areas further to trade with the entire Pacific rim.