

Initiatives to promote exchange in Northeast Asia and establishment of an international ferry service crossing over the Sea of Japan

ERINA

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Abstract

In this paper, we propose one idea of how to promote exchange in Japan Sea rim region based on overview of world economic trend, and outline a movement toward realization of the proposal. One of challenges in the realization is establishment of international ferry service crossing the Sea of Japan that connects Northeast Asia continent with Japan. The target of the ferry project is to link Tokyo Metropolitan area with Northeastern part of China as well as with Seoul Metropolitan zone. Interested parties from 4 states of Japan, Korea, China and Russia are taking part in this challenge. This is at the forefront of multinational cooperation that shall be carried out in Northeast Asia in future.

&1. Advent of Great Exchange Age that is sweeping the current world

We are having the Great Exchange Age now. Let us study its situation. Change of world trade is shown in Fig. 1. (Source:WTO)

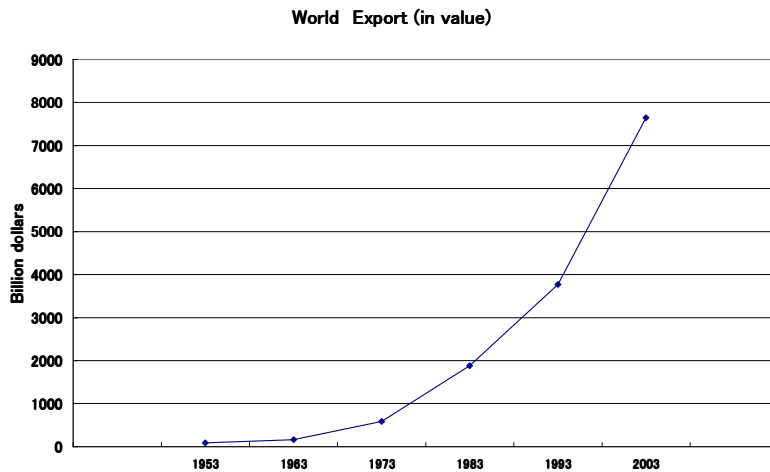


Fig.1 Change of world trade

Change of international passengers in the world is shown in Table 1.

Table. 1 Change of international passengers in the world

Arrival passengers in international tourism (million persons)			
	1990	2004	Growth ratio 2004/1990
Northeast Asia	28	87.6	312.9
Southeast Asia	21.5	47.3	220
Oceania	5.2	10.2	196.2
South Asia	3.2	7.5	234.4
Asia&Pacific Ocean	57.7	152.5	264.3
World	441	763	173

(Source:2004 Overview of international tourism, World Tourism Organization, March, 2006)

Change of GDP by country is shown in Fig.2

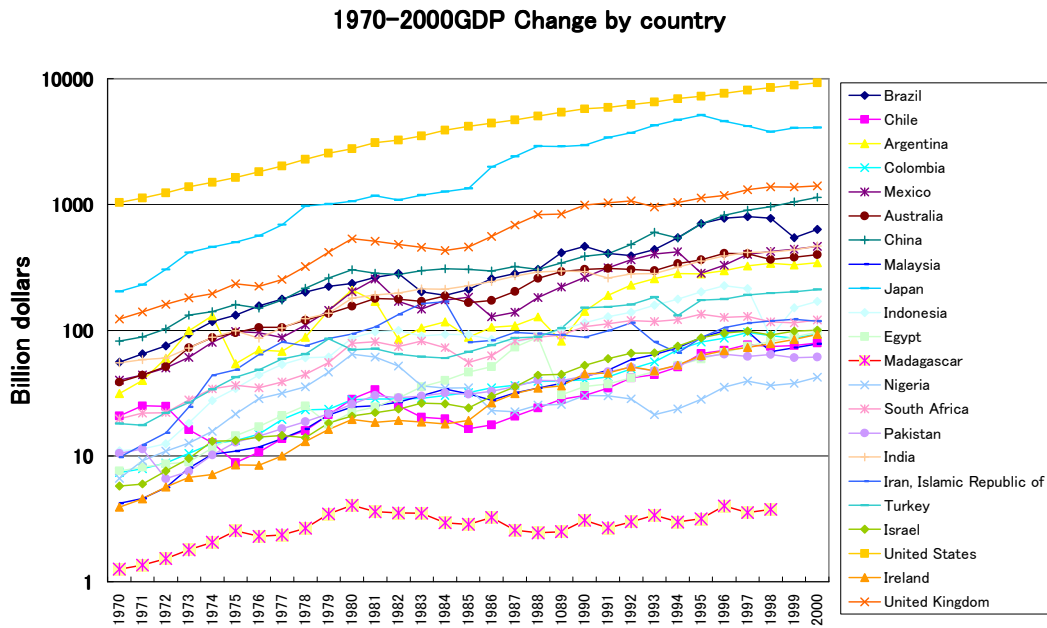


Fig. 2 Change of GDP by country (Source: IMF, World economic outlook database, April, 07)

World trade has steadily enlarged, showing 100 times increase on a value basis during 50 years from 1953 to 2003

International tourists in the world has also increased, showing 1.73 times during 14 years from 1970 to 2000.

GDPs of most of countries excluding part of Africa have risen 10 times during 30 years from 1970 to 2000 on a current value basis.

We can get to know from those data that trade statistics, international tourist statistics and GDP statistics have commonly had steady increase trend in recent years. These are evidence of advent of the Great Exchange Age.

Next, let us analyze the increase trend by region.

Change of share of trade amount in the world by region is shown in Fig.3. Only Asia has remarkably grown, showing from 13.4% in 1953 to 26.1% in 2003 in terms of ratio in world total.

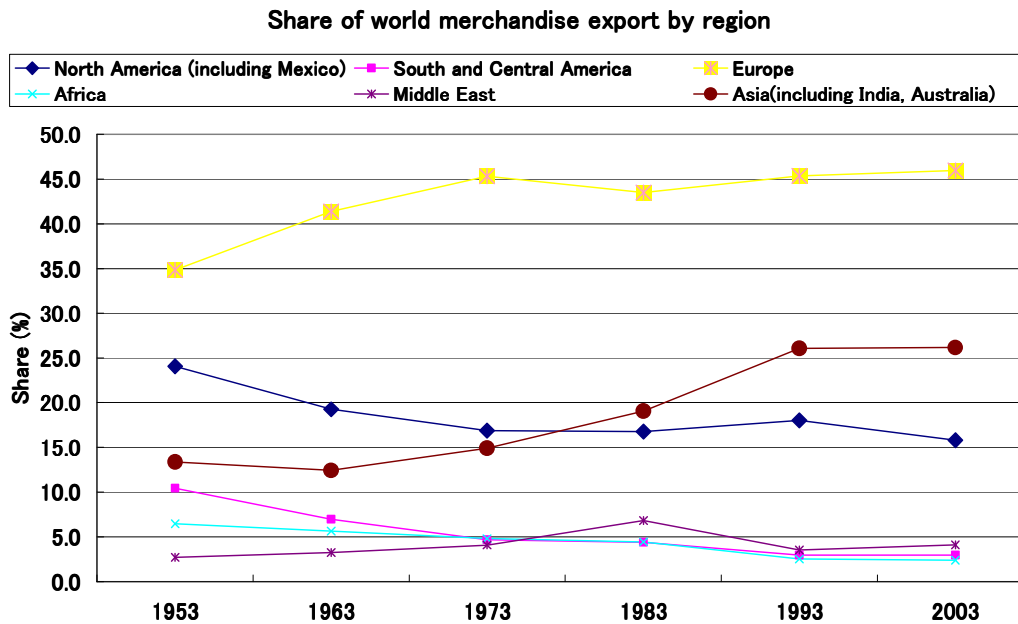


Fig. 3 Change of share of trade amount in the world by region (Source: WTO)

Change of GDP by region is shown in Fig4. We can see growth of Asia is remarkable in comparison with other regions.

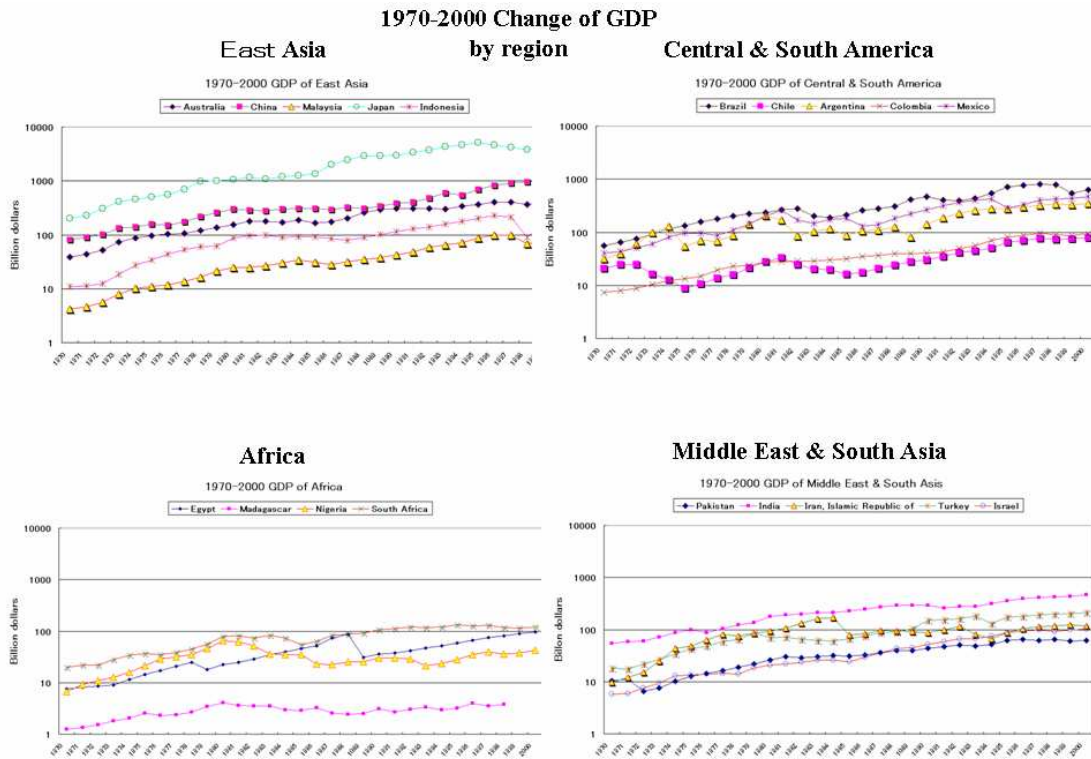


Fig.4. Change of GDP by region (Source: IMF, World economic outlook database, April, 07)

In Asia, China's growth is noticeable. We can see this situation through uptrend straight line of semi-log graph in Fig.5.

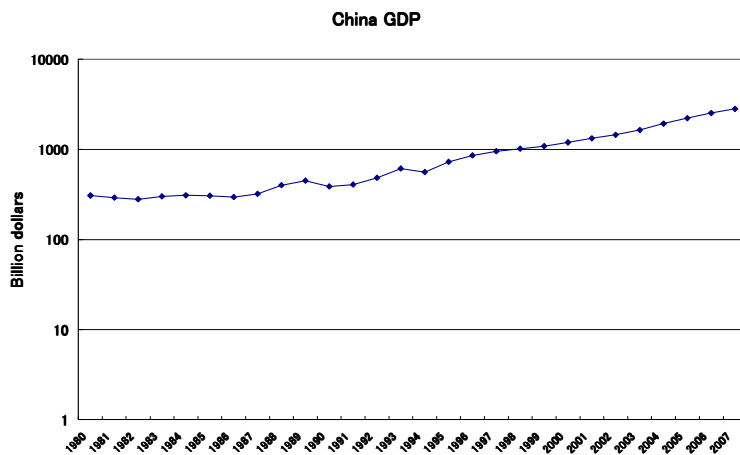


Fig.5 China's growth in GDP (Source: IMF, World economic outlook database, April, 07)

Looking at Russia that has territory in Northeast Asia, in semi-log graph of Fig.6 , its GDP line extends upward after bottom in 1998.

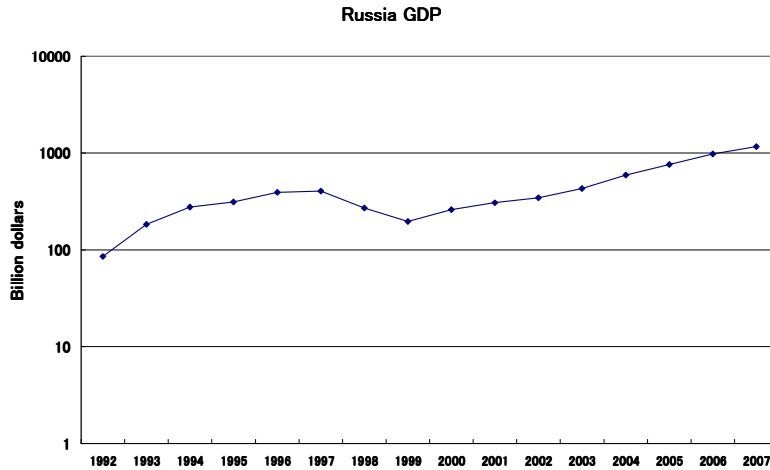


Fig. 6 Russia’s growth in GDP (Source: IMF, World economic outlook database, April, 07)

In conclusion, phenomena of the Great Exchange Age have emerged particularly in East Asia.

Next, we check cargo movement of the world. We look into container transport that deals with general cargo excluding bulky one. Table 2 shows share of transport volume in the world in 2004 by main sea lane. We can see maritime routes with East Asia occupied more than half of the world total. Moreover, share of handled container volume of the world, by loading/unloading port, by region in 2004 is shown in Fig. 3. East Asia amount for 45% in loading port and 31% in unloading port. Therefore, we come into conclusion that East Asia has been one of centers in world cargo transportation.

Table 2. Share of transport volume in the world in 2004 by main sea lane(Source: MOL)

Share of container transport volume in the world in 2004 by main sea lane(%)						
Sea lane between	East Asia -North America	East Asia - Europe	East Asia -East Asia	Europe -Europe	North America -Europe	Others
Share(%)	20.1	15.6	14.7	9.3	6.8	33.5

Table 3 Share of handled container volume of the world, by loading/unloading port, by region in 2004 (Source: MOL)

Share of handled container volume of the world, by loading/unloading port, by region in 2004 (Unit: %, Source: MOL)								
	North America	East Asia	Europe	Central & South America	Middle East	India sub-continent	Africa	Oceania
Loading port	12.4	45.1	24.9	7.1	1.7	3.7	3	2.1
Unloading port	22.5	30.8	26.9	4.9	4.9	2.8	4.1	2.4

&2. Possibilities of East Asia economic integration

Through analysis above-mentioned in &1, we know the advent of the Great Exchange Age and East Asia's position in the world. I think ultimate goal of the economic trend will be economic integration with few border constraints. Then, we investigate the possibilities of East Asia economic integration

2.1. Examination on inevitability of economic integration

The following phenomena that lead East Asia to economic integration have been emerging.

1) Advent of the Great Exchange Age (Borderless movement of cargo, passenger, information and money)

The situation is above-mentioned. This phenomenon has been brought about by technological innovation in the field of telecommunication and transport. It is important to recognize that energy of the exchange in East Asia has been strengthening.

2) Spread of international standard

It is necessary to give up its own style for advancing toward economic integration. In East Asian countries, introduction of the international standard has been advanced in the field of institution, hardware and way of thinking. As a result of it, it has become easy for many countries to enjoy international trade and introduce foreign capital into domestic industries.

3) Emergence of borderless issues to be tackled through joint cooperation with neighboring states

The issues, for instance, are shown below. The states of East Asia will be pressured to participate in the joint initiatives with neighboring countries to cope with these

issues.

- * Multinational economic project, for instance, international division of labor.
- * Spread of dangerous weapons leading to ruin of the earth.
- * Global environmental problem, Problem of shortage of natural resources.
- * Epidemic diseases like SARS
- * Natural disaster like Tsunami of Indian Ocean

4) Breaking away from the thought following the law of the jungle as human being's frontal lobe has evolved.

In the past international communities, the thought of wild animal's world representing as 'kill an opponent, or are killed by him', had been prevailed. However, in recent years, the tide of the times has had new momentum that human beings can survive even if without following such thought. For instance, there are many states participating in Treaty on the Non-Proliferation of Nuclear Weapons. This is victory of reason and evolution of human being's frontal lobe.

5) Enhancement of power of international agencies functioning as driving forces of economic integration

Leadership ability of international agencies such as UN has remarkably strengthened in recent years. These agencies have carried out their duties with placing emphasis on economic integration. Their influence on the world politics is large.

6) The advanced regions of the world have stepped into economic integration.

It goes without saying that we have the case of EU. EU has strengthened its power in the field of politics and economy in the world. East Asia will get a lot of knowledge from EU's experience and wisdom.

As mentioned above, factors promoting economic integration have gotten larger. On the other hand, there is nationalism as rebel against economic integration. It is inevitable to have outbreak of nationalism. However human being's has had tools to suppress burst of nationalism through pursuing higher richness and cleverness. Therefore, the states of East Asia will have economic vector with uniform direction in near future though definite date of the economic integration cannot be seen. Consequently, economic integration can be realistic target for East Asian countries.

2.2. Position of Northeast Asia in East Asia

From the above mentioned, we can understand the advent of the Great Exchange Age, position of East Asia in the world economy, and its future direction to be targeted. The East Asia said above is, definitely speaking, limited to economically prosperous region involving Japan, the ROK, Taiwan, Hong Kong, ASEAN states. Northeast Asia, being part of East Asia, consists of Japan, the ROK, the DPRK, Northeastern part of China, Russian Far East and Mongolia. The region excluding Japan and the ROK (hereinafter called as continental Northeast Asia) has lagged far behind in the prosperity above-mentioned. The continental Northeast Asia is neighbors of Japan and most important region for Japan. It is imperative for Japan to have situation that neighboring countries become rich.

I would propose one idea to develop the economy of this region in line with the tide of times. This is how to develop the Sea of Japan.

&3. How to develop the Sea of Japan

3.1. How to bring about a storm of Great Exchange in Northeast Asia

The basis of how to develop the Japan Sea is to give rise to a storm of Great Exchange in Northeast Asia. The current global society has entered into the Great Exchange Era and southern half of East Asia has functioned as one of centers in the Great Exchange of the world. Therefore we ought to predict that such phenomenon will emerge in continental Northeast Asia. How is it brought about? I think we can use vitalities of Chinese people as we can see in the case of southern East Asia where economic development was accomplished by mainly Chinese people's power and overseas Chinese. The method is to encourage Chinese of Northeast Asia.

The evidence that Northeastern part of China has had lagged behind in the economic activities is shown from the fact that per capita foreign trade volume of Jilin Province and Heilongjiang Province (total population of the two provinces amounts to 65 million) remains less than one fifth of average of whole China

Main reason is viewed that the region involving the two provinces is land-locked. Therefore, I can present one idea that degree of the land-locked situation decreases by means of making connection with the Japan Sea, as one alternative to bring about the Great Exchange.

One part of Jilin Province where is situated in Tumen River District is only 10km far from the Sea of Japan. If we can make this part connect with the Sea of Japan, we can predict rapid development of foreign trade in the land-locked area. We also

expect that, through Chinese people positive participation in use of the Japan Sea, Exchange in the Japan Sea will promote remarkably. Russia and other coastal states of the Japan Sea can also reap the benefit from the Exchange. The Exchange produces mutual reliance and strengthens the relationship of coexistence. The issues that have annoyed us, such as abduction, historical problem and territorial problems will find the way toward settlement, because most effective medicine to conquer the problems is to promote the exchange.

In this context, the most important thing is whether it is possible to create such linkage with consent of passing-through country (Russia or the DPRK).

I think such undertaking shall have the following conditions for its execution.

- 1) The undertaking shall be executed in Tumen River Area that has shortest distant point to the Japan Sea.
- 2) The undertaking shall be executed by initiative of passing-through state.
- 3) The undertaking shall involve foreign capital to raise the fund.
- 4) As the undertaking becomes multinational cooperation, it shall involve the agency concerned with operational knowhow and experience relating to the multinational cooperation.

Based on the above, I explain the method of promoting exchange in the Japan Sea by stage of development.

3.2. Concrete proposal to promoting the exchange of the Japan Sea

First stage: Research and survey

We consider how to guide the land-locked area of continental Northeast Asia (hereinafter referred to as continental land-locked area) to the Sea. In order to invent the solution, firstly we have to prepare a transport future vision of whole Northeast Asia such as an economic development master plan.

We already finished this step. Our research result is Northeast Asia transport corridor vision shown in Fig. 7



Fig. 7 Northeast Asia transport corridor vision show

Second stage: Materialization of small scale exchange (1)

Gradual advance from small scale to large is preferable in every challenge. First of all, connection between the continental land-locked area and the ROK is selected. This undertaking has been accomplished 7 years ago by south Korean shipping company. International ferry between the ROK and Yanbian Korean Autonomous Prefecture via Zarubino Port has been operated. However, the transported volume has remained to small extent due to many kind of constraints.

Third stage: Materialization of small scale exchange (2)

Based on the second step experience, connection between the continental land-locked area and Japan will be challenged. Concretely speaking, this is establishment of international ferry service crossing over the Japan Sea. We are now at this stage and, however, we have not yet succeeded in this project. Details will be described later.

Fourth stage: Research to identify the way to meet large volume of demand in future

The above small scale challenge will rouse gradual increase of flow of exchange, with diminishing the constraints, reflecting from tide of the times. Then, it will be necessary to provide appropriate means for a large scale volume of transport movement. Therefore, in the fourth step, we need to research and survey on the means, in particular, transport route.

Main subject to be examined is 'At what part of the Tumen River Area we construct the route penetrating to the Japan Sea? There seems to be three alternatives as follows:

- 1) Use of the existing road and port in Russian territory.
- 2) Use of the existing road and port in territory of the DPRK
- 3) Provision of new international public road and port

With respect to 1) and 2), it is very difficult to prevent smuggling into/out of the country. Alternative 3) will make it possible to prevent the smuggling.

Fifth stage: Construction of international public road and port

Let us suppose the alternative 3) is adopted.

The proposed facilities have the following specification each.

- 1) The international public road:
- 2) The road is constructed at the shortest distance site (10km) in Tumen River Area from the viewpoint of connection between Jilin Province and the Sea of Japan.
- 3) The road is underground or semi-underground style with 6 lanes in total and double track railway.
- 4) The international public port:
- 5) The above road extends to offshore. At the offshore side edge of the road, the port is constructed. This is artificial floating island and functions as the foothold of international ferry transport that conveys land transport trucks crossing national borders.
- 6) These facilities are designed on the premise of preventing smuggling.

Sixth stage: Positive use of the above facilities to make the Japan Sea be the Great Exchange Sea.

Next, I would describe the third stage where we are currently challenging.

&4. Challenge of establishing the international ferry service crossing over the Japan Sea

This undertaking is the third step above-mentioned.

Officials concerned in Northeast Asia, including ERINA, who are interested in the Exchange of the Japan Sea have jointly challenged toward establishment of international ferry service crossing over the Japan Sea (hereinafter referred to as the Undertaking) since a few years before. As a result of it, May 2006, they agreed

that officials concerned of Japan, China, the ROK and Russia will organize a limited liability company that operates the ferry service. Furthermore, July 2007, they came into conclusion that the head office of the company is situated in Sokcho, the ROK and total capital is 3 million US dollars, and the share of the capital by state is 51% of the ROK, 17% of Russia, 16% of Japan and 16% of China. The vessel used in operation will be chartered from the existing service managed by the ROK, However, at the current stage of as of 1st October, they are coordinating and negotiating to set up the joint ferry company. The company has not yet been established. The ferry service operation is scheduled to start in early stage after the establishment of the joint company.

In this chapter, I outline the progress of the challenge.

1. Wide range of survey conducted by ERINA as for current transport situation of continental Northeast Asia

ERINA carried out the research and survey jointly with specialists of Northeast Asian countries on current situation and issues of the continental Northeast Asia transport, and eventually, prepared the final report as Northeast Asia transportation Corridor Vision (Fig.7). There are 9 transportation corridors proposed. As next target to be pursued, drastic improvement of transport efficiency in No. 4 corridor called Tumen River Corridor was adopted. In order to accomplish the aim, the officials concerned gave priority to the ferry service crossing over the Sea of Japan connecting the Tumen River Corridor with Japan. They started the challenge.

2. Establishment of NPO (Non Profit Organization) in Japan

As part of struggling in Japan, officials concerned in Japan established the NPO on a national scale, because it is very difficult for tiny body like ERINA to succeed in the challenge without supports from various fields. The NPO is called Northeast Asia transportation Corridor Network.

3. The process of obtaining consents among 4 parties

International meetings and forums have repeatedly been held to start the Undertaking by initiatives of mainly ERINA. (See the Table 4) As a result of it, it became clear that local governments of Japan, China and Russia are anxious to succeed in the Undertaking. On the other hand, examination on participation of shipping lines had been carried out by mainly Niigata Branch of Ministry of Land,

Infrastructure and Transport of Japanese Government. As a result of it, we succeeded in identification of the shipping company that has intention of participation in the challenge. This shipping line has experienced from the existing service route between the ROK and Jilin Province. It announced us its participation would be acceptable on the premise of Japanese financial cooperation. Then, Japanese side and Korean side start coordination, when Chinese side and Russian side offered their intention of financial participation each. Ultimately, it was decided that this Undertaking would be challenged jointly by official concerned from four states (hereinafter referred to as four parties) .

Table 4 Meetings and forums held toward accomplishment of the Undertaking

Meeting	Venue	Date	Minutes of Meeting	Contents of the Meeting
1	Hunchun	Oct. 2003	Y	Confirmation of intention of local people concerned, i.e. Hunchun City and Hasan district
2	Niigata	Feb. 2004	Y	Confirmation of intention of Russian Local Government under attendance of Vice-Governor of Primorsky Krai
3	Vladivostok	July 2004	Y	Studying port-related problems in Zarubino Port, under participation of Korean side
4	Niigata	Oct. 2005	No	Port sales of Zarubino Port conducted by joint team of China and Russia
5	Hunchun	Feb. 2006	Y	Exchange views between Chinese consignors and shipping lines from overseas.
6	Zarubino	May 2006	Y	Establishment of new ferry service was concluded by 4 state's officials.
7	Vladivostok	Aug. 2006	Y	Rate of investment by state was concluded.
8	Changchun	Sep. 2006	Y	Reconfirmation of No. 6 Meeting
9	Niigata	Feb. 2007	Y	Meeting of 5 mayors from 4 states regarding the ferry projects
10	Hunchun	May 2007	Y	Amendment of the rate of investment by country
11	Sokcho	July 2007	Y	Tentative schedule of establishment of the Joint Company and starting date of ferry service were decided

4. The first consent

The four parties agreed May and August 2006 that the joint company with its capital of 3 million US dollars would be established, the share of the capital by party is 40% of Japan, 30% of Russia, 20% of China and 10% of the ROK, and its headquarter would be in Niigata.

5. Domestic coordination in each country

After the first consent, each party came back home to coordinate in raising fund and then, change of the situation took place.

In the Korean Party, Sokcho City Government and Gangwon Province Government

announced their participation in the Undertaking and Korean Party insisted having majority of the capital with head office of Sokcho. They announced this at the summit meeting in Niigata February 2007, where five mayors concerned, i.e. Niigata, Seiryō (Japan), Sokcho, Hasan and Hunchun, attended from 4 states.

As for the Chinese Party, a Japanese apparel maker started its production in Hunchun Special Economic Zone, expecting success of the Undertaking.

As for the Russian Party, it made public the master plan of Zarubino Port.

In Japan, investment company was established for the purpose of investing to the joint company. Japanese initiative was shifted from ERINA to the investment company.

In the term of such coordination, there were many happening in the circumstances of the project such as worsening the North Korea Problem in Japan, policy change of Kazakhstan Government on importing used cars that are expected as one of fundamental cargos, and making clear poor handling capacity of cargo in Niigata Port etc.

6. Second consent

The four parties had meeting July 2007 to amend the agreement according to the offer from the Korean side, that is, the share of the investment is 51% of Korean Party, 17% of Russia, 16% of Japan and 16% of China, while the total of the capital of the joint company is unchanged. The head office is situated in Sokcho.

The minutes of the meeting is shown in Fig. 8

As the result of the meeting, organization chart to be expected for managing the Undertaking is shown in Fig.9

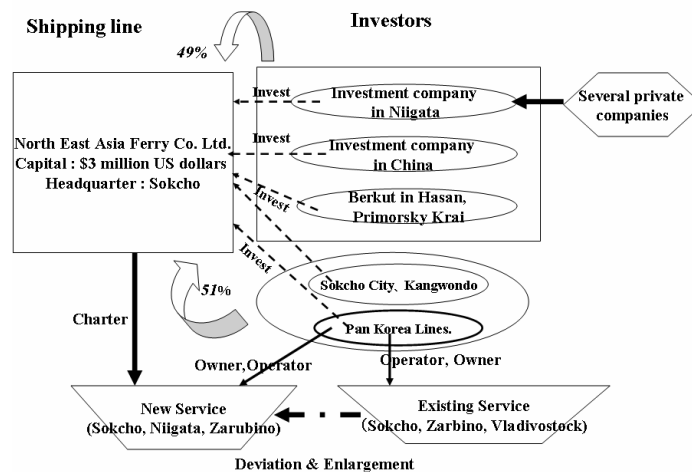


Fig. 9 Organization chart to be expected for managing the Undertaking

Minutes of Meeting regarding Establishment of New Ferry Service conducted by Joint Group of Korea, Japan, China and Russia
On 6th July 2007, the representatives of Korea, Japan, China and Russia held meeting in Sokcho to establish the new ferry service connecting Sokcho, Niigata, Zarubino and Hunchun, and concluded the following matters.

1. People concerned of Korea, Japan, China and Russia will jointly set up the joint company. The rate of the investment by country is shown as Korea : Japan : China : Russia = 51:16:16:17.
2. Headquarter of the joint company is located in Sokcho City, Korea.
3. The capital of the joint company amounts to \$ 3 million US dollars. When and how much the investment is undertaken will be decided after checking the long-term profit and expenditure statement prepared by the Korean side.
4. The joint company shall be called as North East Asia Ferry Co, Ltd.
5. Directors of the joint company to be legally registered are 7 in total, composition of which is Korea 4, Japan 1, China 1 and Russia 1.
6. The joint company is scheduled to be founded on August 2007 based on the Articles of Incorporation prepared in accordance with the Korean Commerce Law. Principal contents of the Articles, including Joint Agreement, shall be decided through discussion among participants of the working group
7. The ferry service is scheduled to starts on September 2007 Constituent countries shall cope with problems relating to the ferry service swiftly. Japanese side shall promptly inform the propriety after consultation with Japanese agency concerned
8. The working group shall be organized in order to discuss the establishment of the joint company etc. The working group meeting will be held during July 2007 to coordinate among the states with respect to matters concerned.
9. Every participant country shall settle swiftly disputes of its own to be improved or overcome individually before starting the ferry service.

Fig. 8 Conclusion of Sokcho Meeting dated 6 July, 2007

7. Summary of ferry service to be expected

In the ferry service to be expected, there will be 3 calling ports of Sokcho, Niigata and Zarubino with frequency of once a week, in the style of partly extension to Niigata from the existing ferry service network. However, 2 vessels will be provided in near future, when turn of calling 1) Sokcho, 2) Niigata, 3) Zarubino 4) Niigata and 5) Sokcho with frequency of once a week is now examined.

Main objects to be transported are container cargo, used cars and passengers.

The areas connected by this service is as follows:

Jilin Province, Heilongjiang Province –Niigata

Primorsky Krai –Niigata

Sokcho (a gateway of Seoul to the Japan Sea) – Niigata (a gateway of Tokyo to the Japan Sea)

This means that Niigata will be hub of the Northeast Asia maritime transport.

The size of the vessel to be expected is as follows:

13,213 gross tonnage

Passenger capacity is 600 persons

Cargo capacity is 132 TEU or 500 used cars

Velocity of the vessel is 24 knot.

8. Cargo statistics of the existing service

Cargo statistics of the existing service conducted by Dongchun Ferry is shown in Fig. 10.

● CARGO

UNIT : TEU

IN/OUT	2000	2001	2002	2003	2004	2005	TOTAL
N	495	1,646	2,751	3,260	2,830	2,454	13,436
OUT	507	1,008	1,828	2,427	4,044	4,595	14,409
TOTAL	1,002	2,654	4,579	5,687	6,874	7,049	27,845

● PASSENGER

UNIT : PERSON

IN/OUT	2000	2001	2002	2003	2004	2005	TOTAL
N	18,070	26,172	26,467	24,647	26,596	27,996	149,948
OUT	18,610	25,950	24,985	22,477	27,320	29,317	148,659
TOTAL	36,680	52,122	51,452	47,124	53,916	57,313	298,607

Fig.10 Cargo statistics of the existing service conducted by Dongchun Ferry

9. Advantages of the Undertaking

The service route to be expected is shown in Fig. 11.



Fig.11 Expected service route

Advantages of the Undertaking is as follows,

- 1) The ferry service will become a bridge of exchange between continental Northeast Asia and Japanese coastal area facing the Japan Sea, which is an earnest wish of

Japan.

2) Niigata has linkage with Russia (Primorsky Krai), China (Heilongjian Province, Jilin Province) and Korea (Gangwon Province).

3) The route is the shortest way connecting Tokyo Metropolitan Area and Seoul Metropolitan Area.

4) The route has shortest travel time in trade connecting between Japan and continental Northeast Asia.

10. Current situation as of the end of September 2007

Negotiation and coordination among 4 parties based on the agreement above-mentioned has been advancing. However, working group discussion to be held in July has delayed and started in August. Therefore, as of the end of September, 4 parties has discussed each other regarding Joint Contract of joint company, the Articles of Incorporation and working plan including profit/loss statement. Joint company will be established after settlement of the discussion.

11. Issues to be tackled hereafter

1) Coping with difficulties in coordinating among 4 parties

Maintaining good communication, keeping disciplines and growing mutual reliance among four parties is precondition for the multinational cooperation. Korean party has majority and the joint company will be managed based on Korean Law. However, the remaining parties have 49% of the capital. It is very important to ensure cooperative relationship among four parties in managing the joint company.

2) Ensuring profitability as a private company

The joint company is non-governmental firm where profitability must be pursued. In this connection, we have the large problem that the ferry service route is apt to be impacted politically due to close to border areas. In addition, border transport between Russia and China has many problems to be conquered as described below.

3) Improvement of border transport between Russia and China

Transport distance between Zarubino Port to Hunchun City via Kraskino Border is only 60km. However, the travel cost still remain not cheap and the transport efficiency is not good. We have had some passengers whose waiting time for custom clearance in Kraskino was over 3 hours. This is reason behind the capacity of Russian custom clearance still remains at a small scale.

Moreover, when Japanese or Korean tourists hope to go to Hunchun via Zarubino Port, passing through Russian territory, it is preferable for them to get transit visa from Russian Government. However, in current procedure, original ticket of transportation has to be submitted to the Consulate General beforehand, while it is not easy to get the original ticket at hand when applying to the Consulate General. Therefore, usually tourists get sightseeing visa in place of the transit visa. The sightseeing visa's procedure is not simple and it takes many days to be issued. This is said to be main reason why Japanese/Korean tourists passing through the border do not increase

4) Measures devised to deal with request from the ROK and Chinese parties

There are local governments of Sokcho City and Gangwon Province in the ROK party investors. In case of Chinese party, Hunchun City government is also one of investors. These participation of the local government means this Undertaking is regarded as semi-public sector project. Both parties request Japan and Russia to involve the public sector into their parties each.

5) Need of local government assistance

In Japan, local government assistance is needed, because improvement of international ferry terminal depends upon policy of the Prefecture Government that is port management body. Furthermore, in the stage of attracting cargo and passengers, City Government may be one of driving force as responsible body of city economy promotion.

6) Need of central government assistance

Moreover, central government assistance is also necessary. The Undertaking is transportation project crossing borders and executed in collaboration with CIQ system and Border Guard. In addition, the improvement of international ferry terminal that is an urgent issue in Japanese party should be adopted as one of national policies of Central Government for easy raising fund.

7) Spread of thought of joint cooperation in Northeast Asia

In order to smoothly execute the Undertaking, the parties participating in the joint company are requested to accept coordination and compromise, giving up nationalism. In this connection, it is fundamentally important for many peoples concerned to understand the true target of the Undertaking including its importance.