

1. Introduction to Yangtze River Research

The substance of the Yangtze River World Report represents more than seven years of research. In 2003, while working with a group of investors to buy a terminal in the port of Shanghai, Jon turned to his partner, Chengxi, and suggested that they take a “road trip” down the Yangtze River to see what was taking place as a result of the completion of the first phase of the Three Gorges Dam. This trip became the first of many over the years, and Jon Monroe Consulting (JMC) became known along the Yangtze River by most port authorities and local governments. Unbeknownst to Jon and Chengxi, the subject of their project at the time, Shanghai Port, was themselves embarking upon a journey to expand their strategy and ownership along the Yangtze River. During the project, JMC had the opportunity to interview the General Manager of each of the Shanghai terminals and continued this interview process through the subsequent trips over the past seven years.



Figure 1: Mode of transportation used by JMC to travel on the river in the upper reaches between Wanzhou & Yichang

A typical trip will start in Shanghai, move upriver to Chongqing and begin a seven to ten day journey downriver moving from port to port meeting the local port authorities. The JMC team upon reaching a port spends time with local port management asking questions and exchanging ideas as to how they believe the business will change over the coming years. This usually happens in the port conference rooms over a period of two hours. Upon completion of the meetings, a visit to the terminals is made and the JMC team continues their queries as to the new plans for that particular port. More than 7,000 digital pictures have been taken to support the face to face research. Most pictures capture the infrastructure as it is being developed and in many cases, include before and after pictures of the evolution of Yangtze River infrastructure including ports, highways, railways and bridges.

In 2007, JMC decided to create their own maps, in order to better illustrate the infrastructure changes emerging along the Yangtze River as the Three Gorges Dam neared completion in 2009. Countless hours have been spent studying maps to better understand the potential of Yangtze River Cities as new infrastructure is completed. Highways, railways, bridges and ports represent new opportunities for cities to evolve. Ports are creating cities and roadways and railways can expand a cities influence as

they become the “center” of their own economic circle, providing access to and from overseas markets. According to Jon, “China will emerge by 2020 with the with the world’s most sophisticated infra-



Figure 2: Jon and Chengxi in foreground walking a terminal in Chongqing in 2003. Sheng, Yongjin, Chief Director of SIPG Chongqing, on far right.

structure, integrating their cities through connectivity of their ocean and river ports with inland intermodal hub locations. Their mass rapid high speed rail network will allow mobility of both passengers and cargo in a way unimagined elsewhere”. In 2007, JMC completed a shorter version of Yangtze River World Report for a client, The Yangtze River: China’s Golden Waterway. This shorter version was also segmented into the upper, middle and lower reaches provided 115 pages of research content to include a series of fold out maps. In October 2009, JMC took their new partner, the Journal of Commerce, down the Yangtze River visiting six ports over seven days.

JMC has personal relationships with a number of ports along the Yangtze River, developed over the years. Additionally, JMC represents the China Ports & Harbors Association in the U.S. This relationship has been instrumental in gaining support among ports to support the process of obtaining and validating statistics.

2. Approach

The outline for Yangtze River World Report is a slightly modified version of the outline created after JMC’s first trip down the Yangtze River in 2003. That outline was thirty seven pages and included profiles on key Yangtze River Cities. Yangtze River World Report includes proprietary port and city profiles and more than 250 tables, charts, maps and pictures, all original. The approach for the research included the following:

- *Finalize the outline*

- *Collect statistics from government sources*
- *Develop the tables and charts*
- *Re-validate the statistics from secondary sources*
- *Research; through internet searches, government sites and phone and face to face interviews*
- *Mini Reports: On particularly important topics, Chengxi will write a mini-report after researching that topic. The mini report will provide statistics on a particularly tough subject that needs to be reviewed with Chengxi's analysis.*
- *Analyze the information*
- *Complete a draft copy: each draft has gone through at least 15 versions, most closer to 20.*
- *Once a section is completed, it goes to edit. The report goes through two edits.*



Figure 3: Meeting with SIPG at their new Cha Yuan Terminal in October 2009 during one of our recent trips down the Yangtze River with the Journal of Commerce.

3. Research

Shen, Chengxi is responsible for most of the research. Much of the research has been conducted using Chinese sources including websites, local government contacts and interviews with companies using the Yangtze River. Jon has been responsible for interviews with western importers and logistics companies. Two foreign 3PL's are showcased in this study, CEVA Global Logistics and Menlo Worldwide Logistics. In both cases, Jon had contacts with the person responsible for running their China operations.

- *Interviews with port authorities, city officials and company executives*
- *Statistics from government bureaus*
- *Information from port websites*
- *White papers and background reports*

- *Digital pictures*
 - *Maps studied to create illustrated maps noting infrastructure changes*
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4. Analysis

The key points of analysis for the Yangtze River World Report include the following:

- *China's Five Year Plans, particularly the 10th and 11th Five Year Plans*
 - *Local and Provincial Port Plans*
 - *Local and Provincial infrastructure development and plans for highway, railway, bridges and ports.*
 - *City plans to include focus on pillar industries*
 - *Three Gorges Development Plans*
 - *Port competitiveness particularly between Shanghai and Ningbo and the ten Lower reaches ports*
 - *Metro Circles and key economic corridors along the Yangtze River*
 - *Stimulus spending*
 - *Migrant labor and labor issues*
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5. Background

The Yangtze River World Report took 18 months to complete and was built upon seven years of research. The ideas and concepts were developed over the years from insight gleaned from the many meetings with local governments and port authorities. A unique feature of the Yangtze River World Report is the separate focus on the Lower Reaches ports and Coastal ports. While most studies address only the Yangtze River Ports, we believe that the role the coastal ports played in the development of opportunities along the Yangtze River were instrumental to the current development of Yangtze River Ports. Shanghai International Port Group (SIPG) for example, played a crucial role to stimulate port development along the Yangtze River and today holds equity in seven strategically located Yangtze River ports.

Jon Monroe has an in depth background in container shipping, forwarding and China logistics development. Shen Chengxi has spent a number of years working in the forwarding industry in Shanghai. The ability to see infrastructure evolve from the point of view of someone who has used infrastructure to move product provides useful insights necessary to understand the evolution of infrastructure along the Yangtze River.

For more information go to www.jonmonroe.com

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