

# Research on the Development of Tianjin Port in the New Era

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## Abstract

Relying on its geographical advantages, Tianjin vigorously develops the shipping industry, improves its radiating driving capacity, strives to build the northern foreign trade center, and deepens the national "One Belt And One Road" strategy. By analyzing the present situation of Tianjin's shipping industry, this paper puts forward some measures to improve the structure of Tianjin's port collection and distribution, develop shipping derivative industry, integrate regional port resources, build a community of interests with shipping alliance and train shipping talents, so as to further accelerate the construction of Tianjin port in the new era.

## Keywords

Tianjin port; Transportation; Shipping services; Resource integration.

## 1. Tianjin Port Development Overview

### 1.1. Policy Advantages of Tianjin Port

Tianjin port is the largest comprehensive port in north China and the gateway to the sea for the Beijing-Tianjin-Hebei region and north China. In recent years, through the improvement of hardware facilities in Tianjin port, it has been able to listen to the large container ships in the old world, which has greatly improved the intention of docking the very large container ships. Tianjin port through the integration of the docks, the work efficiency of the port has been greatly improved, and the comprehensive competitiveness of the port has been further improved. Tianjin port firmly holds the national One Belt And One Road development strategy. According to Tianjin statistics, Tianjin new port handled 104,400 tons of "One Belt And One Road" railway freight in 2018, with a value of 507 million US dollars, which also highlights the rapid development of Tianjin port's sea-rail combined transport. Tianjin established the pilot free trade zone earlier, and the Middle East Xinjiang port area is an important part of Tianjin port. The pilot free trade zone has made significant breakthroughs in accelerating the transformation of government functions, expanding the opening of investment, promoting trade transformation and upgrading, deepening the opening and innovation of the financial sector, and serving the coordinated development of the Beijing-Tianjin-Hebei region. Dongjiang port area focuses on the development of shipping logistics, international trade, financial leasing and other modern services. The pilot free trade zone has implemented an efficient and simple administrative system, improved the service model of "one-port acceptance", reformed the examination and approval items, optimized the examination and approval process, shortened the examination and approval time, and effectively increased the interest of relevant investment institutions. The pilot area actively develops cross-border e-commerce, and improves the corresponding supporting systems such as customs supervision, inspection and quarantine, tax refund, cross-border payment and logistics, so as to improve the service management level and optimize the whole supply chain through the separation of government and enterprise.

## 1.2. Optimization and Adjustment of Collecting and Distributing Transportation Structure

An important strategy of Tianjin port is to develop inland waterless port. By July 2018, Tianjin port had established 25 waterless ports inland, according to Tianjin port. Tianjin port advocates "going out of the port area to seek business opportunities". By visiting the inland waterless ports in key areas, Tianjin port strengthens the horizontal connection with each waterless port, and establishes marketing centers in important areas, so as to build an efficient management system for the waterless port and the point of collecting goods. In 2017, Tianjin port completed a cargo throughput of 503 million tons and a container throughput of 15.21 million TEU, which is inseparable from the construction of the inland port. Railway transportation is a kind of transportation mode suitable for long-distance transportation of bulk goods, which has the advantages of low freight cost and fast transportation speed. Sea-rail combined transport is an efficient transport mode, which can effectively improve the radiation driving effect of ports on the inland. Compared with the 30%-40% sea-rail combined transport in developed countries, China's sea-rail combined transport accounts for less than 2%, which has huge development space. On January 19, 2015, Tianjin port opened the first sea-rail intermodal container train from binhai new area to shijiazhuang in the beijing-Tianjin-hebei region. On June 29, 2016, Tianjin xingang north railway container center station was officially completed, further expanding the radiation scope of sea-rail intermodal transport in Tianjin port. In 2017, Tianjin port completed the adjustment of all coal transshipment to sea-rail combined transport, which greatly saved the transportation cost and transportation time while fulfilling the requirements of the ministry of transport for coal transportation to "public railway".

## 1.3. Deepen the Beijing-Tianjin-Hebei Coordination Strategy

Tianjin is an important part of the beijing-Tianjin-hebei world-class city cluster and the main trade channel of the beijing-Tianjin-hebei region. Tianjin port actively caters to the coordinated development strategy of the beijing-Tianjin-hebei region, and has opened sea-rail intermodal trains to pinggu, shijiazhuang, handan and other cities, striving to build a convenient and efficient passage to the sea in the region. Tianjin port took the lead in opening the route around the bohai sea, so that goods attached to Tianjin port can reach qinhuangdao, tangshan, huanghua and other ports via the branch line around the bohai sea, making regional ports more closely coordinated.

## 2. Main Problems Existing in the Development of Tianjin Port

Around Tianjin belongs to the bohai sea port cluster, north of dalian, south of Qingdao, the three port's economic hinterland has a huge degree of overlap, competition degree is bigger, and radiation due to the Tianjin port area industrial structure lay particular stress on, Tianjin port throughput of goods such as iron ore and coal in the dry bulk also accounts for larger, compared with last ocean yangshan port's throughput structure also need larger ascension. Tianjin port in the collection and distribution of transport, road transport still occupies a leading position. Moreover, Tianjin port and around ports as a result of the localization overlap, especially with hebei port competition is bigger, although the Tianjin and hebei in following the August 8, 2014 bohai co., LTD. Was set up after the development of port investment, and on September 15, 2017 for the beijing-Tianjin-hebei international container terminal co., LTD., the opening, but due to different administrative divisions, both sides refused to give up this "cake", shipping port to create the northern international shipping center, is committed to creating northeast Asia gateway port of tangshan port, business orientation have great similarity, beijing-Tianjin-hebei is still fierce competition between ports. Secondly, in terms of the development of shirely-related service industry, Tianjin port

has made "too little progress". Although it has given preferential terms such as financial subsidy, tax reduction and exemption, the policy is still conservative. Tianjin port stipulates that domestic waterborne transport companies shall be controlled by the Chinese side as shipping agents, and shall not use foreign vessels to operate domestic waterborne transport, or lease or operate Chinese vessels or shipping space to operate domestic waterborne transport business in disguise. In terms of the development of shipping insurance, China's ship insurance accounts for less than 5% of the global market, and Tianjin port accounts for less than 3.2% of the national proportion. ;

### **3. Innovative Measures to be Taken by Tianjin Port in the New Period**

Ports play an important role in the development of cities and the optimization of industrial structure. The government and relevant departments should issue local policies to support the construction of ports and provide convenience and guarantee for the development of shirely-related industries. Tianjin municipal government, customs and other departments should deepen the development concept of Tianjin port "first try" and boldly explore policies and measures to develop the shipping industry. Tianjin port should also take advantage of the situation and actively cope with the current complex shipping environment.

#### **3.1. Improve the Collection and Distribution System of Tianjin Port**

As the main channel of import and export, the port collects a large number of goods. The scientific development of the port requires an efficient and perfect collection and distribution system to accelerate the rapid transfer and circulation of goods. Compared with foreign ports such as New York and Hamburg, Tianjin port has a relatively low proportion of sea-rail combined transport, so Tianjin port should strengthen communication and cooperation with relevant railway departments, increase the number of incoming trains, and further extend the radiation scope of Tianjin port. At the same time, Tianjin port should grasp the development opportunity of One Belt And One Road, make use of its advantage of having three exit channels of Eurasian land Bridges, add freight trains to northeast Asia, central Asia and Europe, build the intersection of maritime international trade and land international trade, and truly make Tianjin the most perfect collection and distribution channel in the north. In order to reduce the proportion of highway distribution and optimize the distribution structure, Tianjin port should further support the development of sea-rail combined transport, reduce the customs clearance cost of liner trains and simplify the entry and exit procedures of liner trains, so as to encourage shippers to choose railway transportation. Tianjin port can choose the inland port with mature scale to open direct freight trains, and provide the inland port with the shortest transportation plan and enhance the attraction of the port by connecting the two ports with only the first and last stations.

#### **3.2. Provide Policy Guarantee for the Development of Shipping-Related Industries**

##### **3.2.1. Improve the Function of Gathering Ship Resources**

Shipping centers are generally internationally known shipping registration ports with strong ship registration agglomeration effect. Tianjin port should speed up the reform of the ship registration system, adopt the preferential treatment of exemption of ship registration fee and fixed assets tax, relax the staffing restrictions of foreign crew, and reduce or exempt the income tax on crew salary, so as to attract flag ships of convenience to choose Tianjin port for registration. We will remove the withholding tax on the hire of ships and the income tax on the sale of ships, and liberalize the foreign capital restrictions on shipping companies, so as to attract foreign ships to choose Tianjin port for registration. Tianjin should try to separate the ship registration institution from the government departments, so as to make the registration

institution more independent, and promote the registration institution to be responsible for its own profits and losses, so as to promote the simplification of registration procedures and improve efficiency. Tianjin port should lower the conditions for ship registration, relax the limits on the range of investors, class and age of ships, and apply to Tianjin to codify the relatively relaxed ship registration system into law, so as to institutionalize the policy, improve its stability and enhance its attraction. At the same time, Tianjin should also take tax incentives to attract the headquarters of international shipowners or regional headquarters, to build the northern shipping industry gathering place.

### **3.2.2. Promote the Development of Shipping Derivative Services**

The development of shipping derivatives such as ship financing and ship insurance is an important part of the construction of the shipping center. Tianjin port should speed up its dependence on shipping agents and freight forwardings and focus on the development of high-value-added shipping services. Loose shipping financial policy, we will continue to improve the existing financing lease in Tianjin ship export tax refund policy, and adopted the policy of tax breaks and subsidies, as well as the provisions of funds in and out of no restrictions, foreign exchange freedom, allowing companies to set up offshore accounts and offshore company in international trade, so as to attract shipping financial companies, in response to a money issue in the development of shipping industry. Shipping insurance industry is one of the important indicators measure shipping center position, big cities such as Tianjin shipping insurance industry and hamburgers gap, should draw lessons from foreign policy, reduce shipping insurance business tax rate, set up professional service platform to support in Tianjin is engaged in the shipping industry the development of the company, and take relevant government departments "run errands to help" policy, active service enterprise development, create a good atmosphere of industry development. Have been set up in Tianjin in the north sea international arbitration court trial center, based on this, the development of maritime arbitration, through using the experience of the management of the British maritime arbitration, and on the international maritime conference and exhibition to promote Tianjin trial center, raise public awareness of Tianjin maritime arbitration, to choose Tianjin trial center for arbitration of enterprise tax reductions, attracting international maritime arbitration choose Tianjin. Relying on the northern international shipping exchange, we will develop shipping trading, draw lessons from the experience of guangzhou shipping exchange in releasing the pearl river shipping freight index, and release the bohai bay shipping freight index, so as to build a "barometer" of shipping development in the bohai bay area and help build the northern international shipping center.

### **3.3. Build a Green Port**

Advanced ports must be green ports. Tianjin port should establish advanced green port management system to promote the construction of green port. Tianjin port shall, on the basis of the completed low-voltage shore power system, continue to carry out the examination and approval of shore power projects, and strive to replace the auxiliary power generated by ships with shore power equipment, so as to reduce pollution emissions. The management mode of "low-carbon bank" can be adopted in port management. Through statistical analysis of the carbon emission of ships in port, carbon emission standards of ships can be established, and extra "carbon excess interest" can be charged to ship companies that exceed the emission, so as to promote shipping companies to reduce the carbon emission of ships.

### **3.4. Establish a Community of Interests with Shipping Alliances**

A new shipping market has been formed dominated by the three alliances, which have intensified the concentration of the shipping market. According to the Drury shipping report, the three alliances account for more than 75% of the global container shipping

capacity. Market centralization is further enhanced, the bargaining power of shipping alliances in port fees and other aspects is enhanced, and shipping alliances prompt allied enterprises to choose regional ports for their affiliation, and Shanghai in China is undoubtedly the most advantageous competitor. In order to cope with the challenges brought by shipping alliances, Tianjin port should strengthen the cooperation with the three alliances, take the initiative to serve the shipping alliances, and attract the alliances to choose Tianjin port. In terms of specific implementation, Tianjin port can establish a community of interests with the shipping alliance, strengthen the cooperation between the two sides in maritime logistics and land collection and distribution, and jointly establish an efficient and convenient sea, land and air collection and distribution system, so as to achieve win-win results.

### 3.5. Actively Promote Port Alliance and Integration

The shipping market is in a long-term recession. In order to cope with the shipping alliance and optimize its development environment, Tianjin port should actively join the port alliance to safeguard port interests. In 2019, the coordinated development of the Beijing-Tianjin-Hebei region has entered a crucial stage, and the trend of regional coordinated development has become clearer. Tianjin and Hebei can creatively explore cross-provincial and city-level port integration measures. By integrating port resources of Tianjin, Qinhuangdao, Tangshan and Cangzhou, the positioning of each port can be clarified again to avoid serious business overlap. The establishment of Jin-Hebei port alliance or the integration of Jin-Hebei port resources will promote the formation of the largest community of port interests in the north, which can strongly promote the further development of Jin-Hebei port, further explore the coordinated development of the whole region, and optimize the regional industrial structure.

### 3.6. Training and Absorption of Shipping Talents

Port construction needs the guarantee of talents, and most foreign countries have adopted the policy of lowering the income tax on crew members to attract them to settle down. As a municipality directly under the central government, Tianjin should give full play to the advantage of household registration, lift the restrictions on the registration of seafarers of shipping companies registered in Tianjin, and improve their attraction to seafarers. For senior seafaring talents, living security measures such as providing apartments for talents and preferential salary can be adopted to attract them to choose to work in Tianjin. Should be strengthened at the same time, Tianjin and Dalian Maritime University and Shanghai Maritime University and other shipping type of colleges and universities at home and abroad to cooperate, can take out of the land and capital, Tianjin colleges and universities to provide intellectual support plan, the construction of professional institute of shipping talent cultivation, improve their ability of shipping talents cultivation, establish sustainable strategy of talents cultivation.

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