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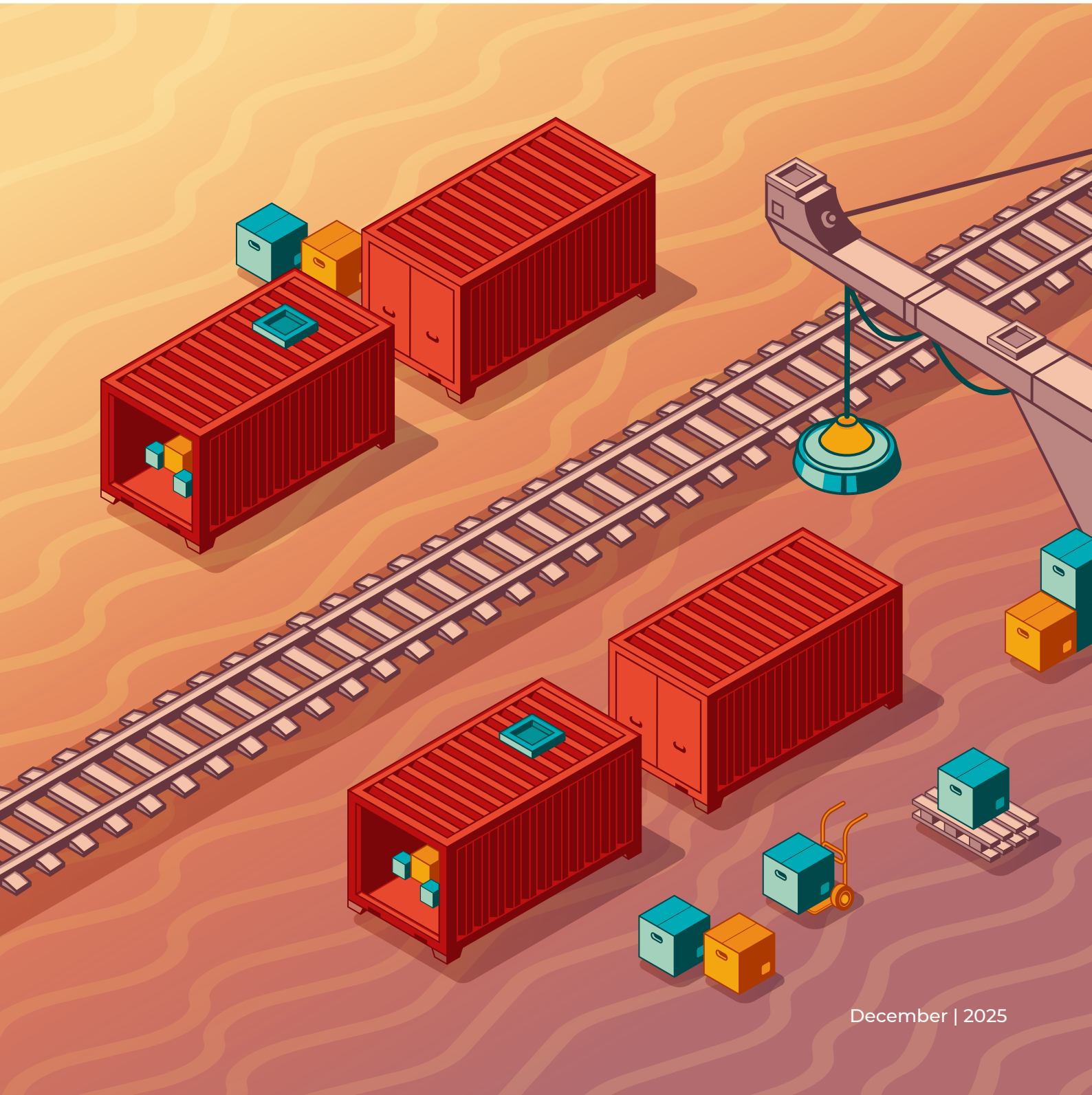
Eurasian Rail Alliance Index

Report

# STATE SUBSIDIES FOR CONTAINER RAIL TRANSPORT IN CHINA: EXPERIENCE, CURRENT STATUS, AND DEVELOPMENT PROSPECTS



December | 2025

# Contents

# INTRODUCTION

In 2012, China started to implement a decentralized rail freight subsidy system aimed at stimulating exports from the country's western and central provinces, such as Chongqing, Sichuan, Hubei, and Henan. The primary focus is on developing trans-Eurasian routes to Europe as an alternative to maritime transport, thereby integrating regions far from the coast into global logistics chains.

Subsidies were provided in two forms: direct support for cargo owners and indirect measures for rail operators. This offset the high cost of rail transport compared to maritime transport and stimulated the growth of export-oriented container flows.

By 2021, the rail system faced congestion: growing demand, limited capacity, and enhanced sanitary checks at borders created serious logistical congestion. This forced the authorities to shift their focus from subsidies to eliminating infrastructure bottlenecks and establishing digitalized processes. In 2021, the State Development and Reform Committee (SDRC) decided that 2022 would be the final stage of providing centralized subsidies for railway transportation in China.

The process of reducing the subsidies was gradual. At their peak in 2018, subsidies covered up to 50% of "economically justified" shipping costs (approximately $10,000), amounting to approximately $5,000 per 40-foot container. In subsequent years, the proportion of support was gradually reduced.

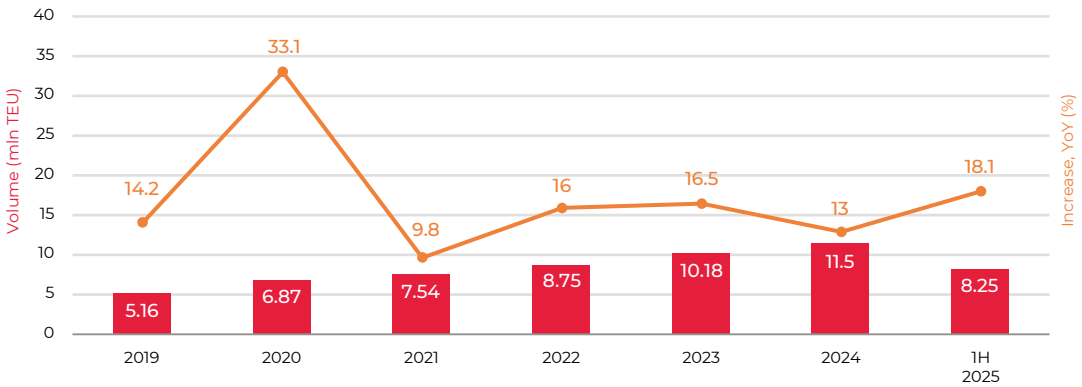
Central subsidies for container shipping in China were phased out in 2023, but some provinces continue to provide support at the regional level, particularly through strategic initiatives and logistics infrastructure development. The size and terms of such subsidies may vary depending on the region and specific projects.

# THE DEVELOPMENT OF CONTAINER SHIPPING IN CHINA

Container rail transportation in China occupies a strategically important place in the implementation of the Belt and Road Initiative and the formation of a modern national transportation system. Its development is the result of a targeted policy set up by the Chinese government, which consistently encourages the growth of rail transportation to relieve congestion on the road transport network, improve the speed and cost-effectiveness of logistics, and promote environmentally friendly solutions in the transportation industry. Container trains, particularly those traveling west to Europe, demonstrate a conservative sustainable advantage in delivery times compared to sea transport—on average, three to five times faster.

In the first half of 2025, rail freight traffic in China reached 1.98 billion metric tons, a 3% increase compared to the same period last year, while the average daily number of loaded railcars increased by 4% to 182,400 units. The development of China's railway infrastructure has played a key role in shaping rail-water transportation patterns in several regions, particularly in the west and center of the country. This is reflected in the growth dynamics of multimodal container shipping routes: they reached 8.25 million TEU, representing an increase of 18.1% compared to the first half of 2024. Overall, between 2019 and the first half of 2025, multimodal rail-water transportation in China demonstrated consistently high growth rates — an average of 17.2%.

### DYNAMICS OF VOLUME OF MULTIMODAL CONTAINER RAIL AND WATER TRANSPORTATION




Source: Compiled by the author based on statistics from the State Council of the People's Republic of China.

One of the priorities of Chinese transport policy is the development of an environmentally sustainable logistics system. The pursuit of carbon neutrality is further strengthening the role of rail and multimodal container transportation in China's logistics. Individual provinces and cities, major economic and port hubs such as Shanghai, Suzhou, Chongqing, Guangzhou, Xi'an, and Dalian, play a leading role in the development of container transportation. They generate the country's primary freight flows and ensure the integration of the domestic market with international logistics chains. The growth of containerization is stimulating the modernization of transport infrastructure beyond China's borders, particularly in partner countries along Eurasian routes. Transcontinental routes linking China with the European Union are particularly important for the development of container rail transportation. Between 2011 and 2021, the number of trains on the China-Europe route increased almost 900-fold, from 17 to over 15,000 trains per year.

Thanks to the route's stability, demand for rail transport has continued to grow despite constraints. These have included competition from cheaper sea freight and the diversification of transport routes, leading to a decline in transit volumes; a persistent imbalance in freight flows (East-West asymmetry and a rising number of empty runs); infrastructure constraints (including repairs, a shortage of locomotives and locomotive crews); and high dependence on international conditions and the efficiency of cargo handling at the EAEU-China border.

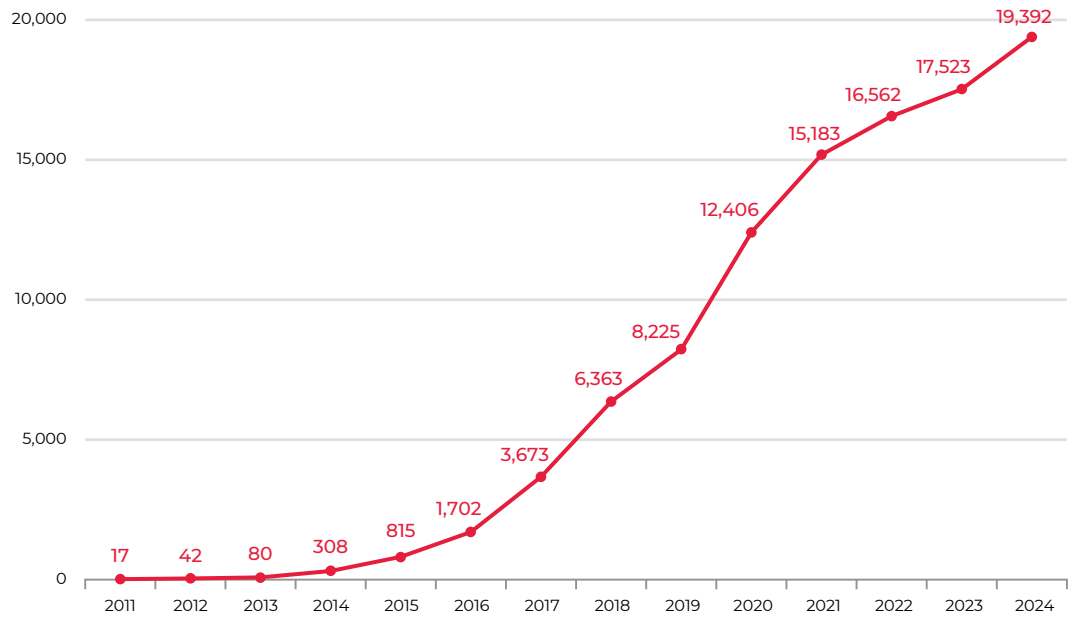
# THE IMPACT OF THE ABOLITION OF CENTRALIZED SUBSIDIES ON THE DYNAMICS OF CHINA-EUROPE CONTAINER RAIL TRANSPORT

Since the launch of the first route from Chongqing to Duisburg, Germany, in 2011, the number of annual trips has grown from 17 to over 19,000 trains in 2024, while the total transportation value has increased from $8 billion in 2016 to over $58 billion. The range of cargo transported has expanded by over 50 thousand items across 53 categories, with a significant predominance of high-tech and engineering products.

Total China-Europe freight volume in 2024 amounted to 2.07 million TEUs[1], an increase of 9.2% compared to the previous year. Of these trains, 10,546 traveled west, and 8,846 traveled back to China.

[1] Chinese statistics on the China-Europe route also include shipments passing through Russia and Belarus.

## DYNAMICS OF THE NUMBER OF TRAINS ON THE CHINA-EUROPE ROUTE, 2011–2024




Source: compiled by the author based on data from New Silkroad Discovery.

Currently, 128 Chinese cities are connected by rail to 229 cities in 26 European countries and over 100 cities in 11 Asian countries.

Xi'an confirmed its status as the largest logistics hub, dispatching 3,849 trains—a 12.1% increase compared to the previous year. It was followed by Chengdu (2,285 trains), Chongqing (2,059), and Zhengzhou (2,052). These four cities remain key hubs for cargo bound for Europe.

Interestingly, three of the top four logistics hubs are located in western China, a region actively developing transit freight infrastructure. The exception is Zhengzhou, which is located in the central-eastern part of the country.

Thus, the abolition of central government subsidies has not significantly impacted overall rail freight volumes between China and the EU. On the contrary, the indicators show continued positive trends.

These data indicate that Chinese shippers have generally adapted to the new reality. The growth in volumes following the end of the government subsidy program is primarily due to the maturity and competitiveness of continental transit routes. The attractiveness of the China-Europe route is now determined not only by price, but also by fundamental advantages such as speed and reliability.

Following the end of most federal state support for Eurasian transit, the volume of direct financial assistance to operators has been significantly reduced. At the same time, key provinces and logistics hubs in China have retained limited forms of support, primarily aimed at infrastructure projects financed from regional and municipal budgets. Thus, the subsidy system has partially transformed from a mechanism for compensating for transport volumes to a model for stimulating the long-term development of transport infrastructure.

In the "three-year action plan for the construction of the China-Europe Express Hub System in Sichuan province" the main goals are stated to be the creation by 2027 of a highly efficient hub system centered in Chengdu, linked to more than 130 foreign cities; the modernization of railway stations and terminals; the development of logistics parks; digitalization; the expansion of international routes to Europe, Central Asia, Southeast Asia, and Africa; and the integration of logistics infrastructure with industrial and commercial activities.

# CHARACTERISTICS OF THE NEW MODERN MODEL OF STATE RAILWAY SUBSIDIES IN CHINA

The modern subsidy model in China has taken on a targeted and regionally differentiated character. During the previous stage, the primary goal was to create cargo flows practically from scratch, and the primary instrument was standardized “blanket” payments per container. This mechanism can be characterized as a “brute force” tool aimed at launching and promoting routes. Today, support is based on more complex and targeted mechanisms.

Regional support is funded by direct subsidies less and less and is moving toward a set-up where investments are made in increasing the capacity and interconnectivity of individual sections of the transport network.

It’s noteworthy that although most existing subsidies for container rail and multimodal transport are formally limited to individual provinces or regions in China, their impact is far broader. These measures shape domestic logistics chains that ensure the delivery of cargo to international route hubs.

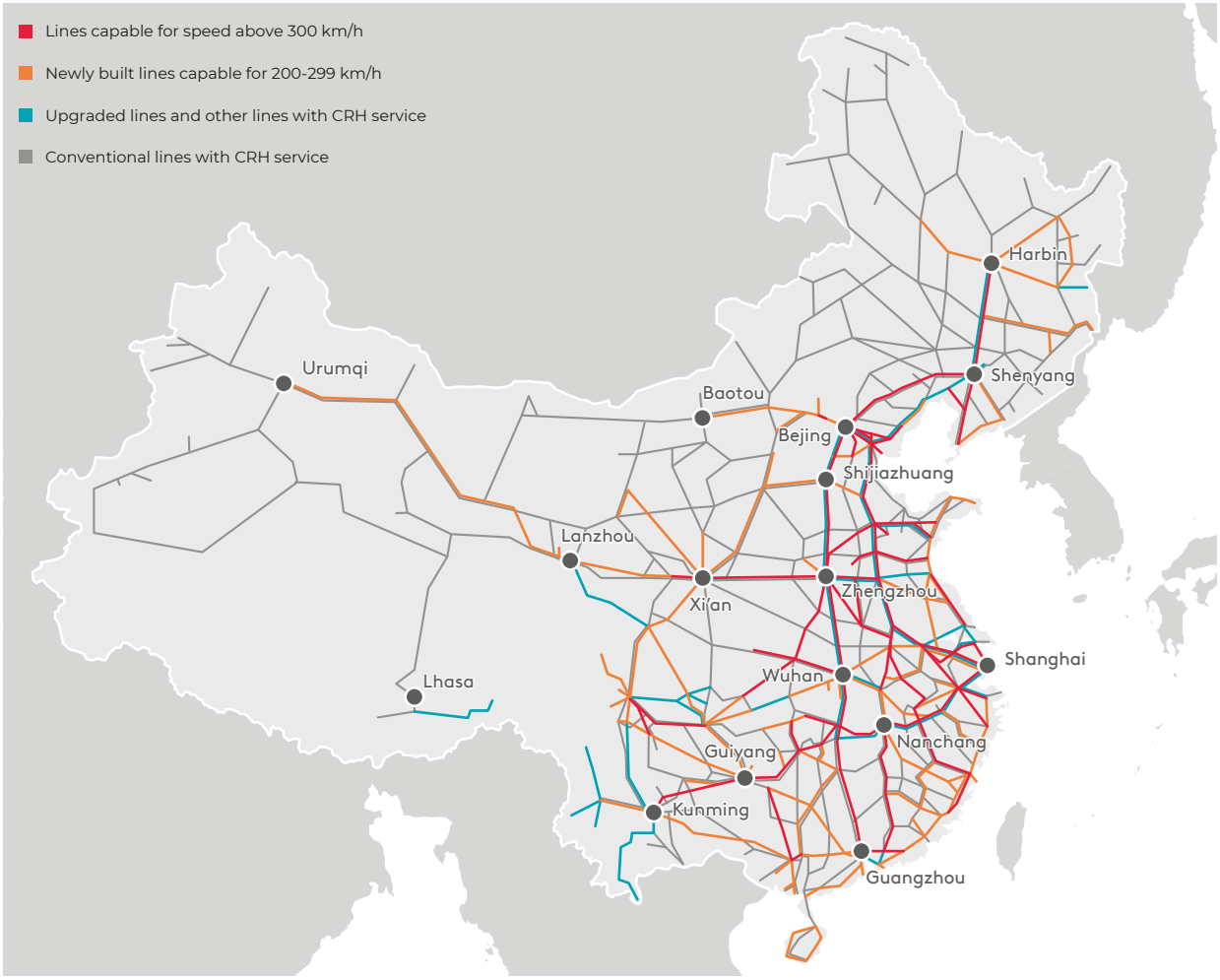
In addition to supporting domestic and export-oriented transport, more comprehensive government support objectives involve linking it to the development of multimodal «railway plus sea» schemes and are aimed at laying the foundation for transforming China into a major transit region in Eurasia.

This is particularly noticeable in transit-oriented provinces, where multimodal rail and sea routes are linked to export flows to Europe and Southeast Asia. Wuhan (Hubei Province), located in the center of the country, has no direct access to the sea, but thanks to the development of multimodal transport corridors, it has become a key hub on the West-East axis, linking Europe with ports on the Pacific Rim through China’s inland provinces.

## MAJOR CHINESE PORTS AND THE CITY OF WUHAN


Source: Chaika Logistics.

## CHINESE RAILWAY NETWORK




Source: Chinese Railway Map.

There are 34 international multimodal routes which pass through Hubei Province, including:

- Wuhan — Qinzhou — Southeast Asia (allows cargo to be sent by rail from Wuhan to the port of Qinzhou, where it is reloaded onto sea transport and then continues to the countries of Southeast Asia);
- Wuhan — Ningbo (for example, in April 2023 WAE Logistics opened a multimodal route Duisburg — Alashankou — Wuhan — Ningbo Port — Keelung Port (Taiwan), with the total delivery time from Duisburg to Keelung being approximately 30 days, approximately 14 days faster than the traditional sea route);
- Wuhan — Xiamen — Thailand;
- Europe — Wuhan — Hong Kong;
- Japan — Wuhan — Europe/Mongolia.

In recent years, Hubei Province and Wuhan City have invested approximately 8 billion yuan ($1.12 billion) in multimodal transportation (primarily rail and sea), which in turn has attracted more than 10 billion yuan ($1.4 billion) in private investment.

The experience of Hubei Province demonstrates how multimodal rail and sea schemes are turning inland provinces into active sections of international transport corridors.

## Main types of government subsidies

Large compensation mechanisms have partially lost their significance, and their place has been taken by smaller, more targeted forms of incentives: targeted grants, participation in regional programs, the provision of individual tax breaks, and subsidies for the development of infrastructure or multimodal projects.

It's worth noting that the current levels of government subsidies are incomparable to the previous levels of support provided under the unified subsidy system. However, with the right combination of these measures, companies can still receive limited support.

The most common type of rail transport subsidy is a direct payment per volume, expressed per TEU, tonne or kilogram. Thus, in Guangdong, payments amount to 250-350 yuan (35-39 dollars) per TEU, in Shanghai — 289-400 yuan (41-56 dollars), in Jingzhou they vary from 200 to 1,200 yuan (28-168 dollars), in Wuhan — 1,000 yuan (140 dollars) per TEU, in Guangxi — 800-1,200 yuan (112-168 dollars), in Tianjin — up to 1,000 yuan (140 dollars) per TEU with an additional bonus for using the "single document" model, and in Yunnan, payments are provided for up to 100 yuan (14 dollars) per ton and up to 2.5 yuan (0.35 dollars) per kilogram, including bonuses for volume growth.[2]

Another significant category of support is discounts on railway tariffs. For example, in Henan Province, tariffs on certain cargo are reduced by up up to 30%, in Shaanxi discounts of 15–35%, and in Hunan Province, tariffs on certain corridors are reduced by up to 59%.

Last-mile and operational service reimbursements within the logistics hub are widely used to reduce costs associated with moving containers between the port and the rail station. In Shanghai, rail-to-port subsidies range from 130-180 yuan (US$18-25) per TEU, while in Guizhou, operational service costs are fully covered, and in Yunnan, all short-haul shipments (up to ten kilometers) are reimbursed.

[2] The data provided is based on information from open sources and is for informational purposes only. Actual payment amounts depend on numerous factors and may differ from the values provided.

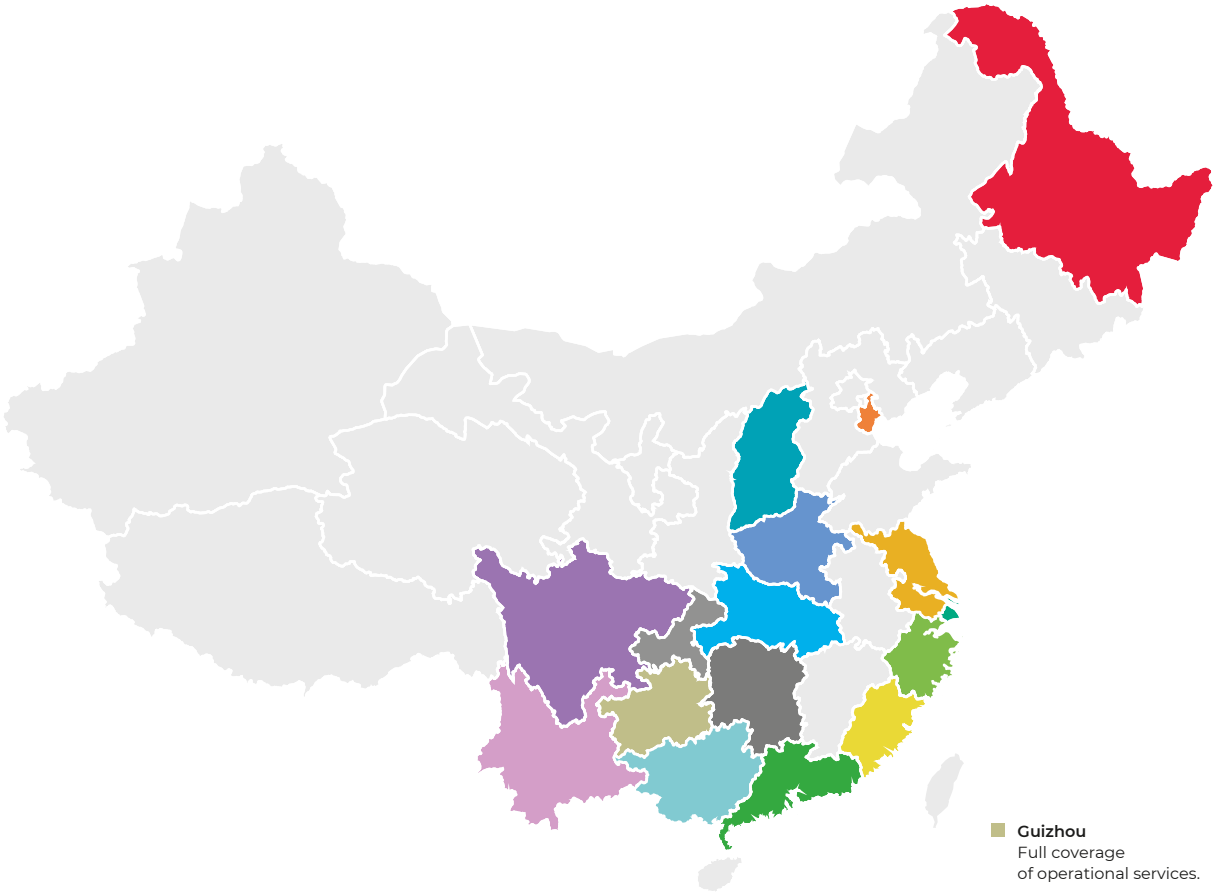
For a long time, the key problem of railway logistics on the China — Europe routes Railway Express is experiencing a severe imbalance in freight flows. This situation, among other factors, was explained by the structure of government subsidies, which primarily stimulated export shipments from China. Today, some provinces offer tax incentives for return shipments to China. In Jiangsu Province, companies importing goods via return routes from Europe to China can deduct the cost of rail freight through China from their taxable income. For example, in March 2024, Jiansu Grain Foods Co., Ltd. was exempted from paying taxes and fees totaling over 150,000 yuan (US$21,000) for transporting 1,800 tons of imported sunflower oil.

Xi'an has also introduced a tax deduction for importers receiving cargo from Europe by rail. The city's customs office allows companies to deduct the cost of inland transportation (from the Chinese border to Xi'an) from the total customs value of the goods.

To simplify the procedure, customs developed a method for dividing the total freight cost proportionally to distance. In the first quarter of 2024, 103 companies took advantage of the measure, and the projected annual savings for all participants are estimated at 53.24 million yuan (US$7.46 million). One-time payments and formulas tied to growth in shipping volumes are also being used to encourage the launch of new routes and the expansion of existing ones. In Fujian, companies receive 2-3 million yuan ($280,000-$421,000) per route for at least 36 trips per year, while Guangxi has a three-year payment ladder of 50,000/40,000/30,000 yuan ($4,200/$5,600/$7,000) per train, as well as volume bonuses and a one-time bonus of up to 3 million yuan ($420,000) for large players operating international routes.

Finally, the development of high-value-added transportation is worth noting. Sichuan Province subsidizes high-speed rail services, while Yunnan and Guangxi are focusing on developing cold chain logistics. These measures reflect the regions' desire to develop services for high-value-added cargo with increased delivery time requirements.

## MAP OF RAILWAY SUBSIDIES BY GEOGRAPHIC REGIONS AND PROVINCES OF CHINA



**Heilongjiang**
Up to $4,209/unit;
logistics hubs.

**Tianjin**
Up to $140/TEU;
+140 for a "single document."

**Shaanxi (Xi'an)**
discounts 15–58%;
internal railway;
cargo type.

**Henan**
Discounts up to 30%;
Domestic rail fare.

**Jiangsu**
$28/TEU;
transit;
tax deduction.

**Shanghai**
$40.5–$56/TEU;
railway–sea,
station–port connection.

**Sichuan**
$0.14–0.25/kg;
express railway

**Chongqing**
Up to $84,180/year.

**Hubei**
$28–168/TEU;
change of container.
Wuhan
$140/TEU;
rail-sea (China-EU).

**Zhejiang**
Up to $19/TEU;
railway–sea.

**Yunnan**
$0.14–$0.35/kg
or $5.6–$18/t;
high-speed,
"green corridors."

**Guizhou**
Full coverage
of operational services.

**Hunan**
30% of costs;
one-time payment
of $420,900.

**Fujian**
$14–84/TEU;
railway–sea.

**Guangxi**
$112–$168/TEU;
$4,209–$7,015/train.

**Guangdong**
$35–45/TEU;
internal railway

Source: compiled by the author

*Table 1.*

## CURRENT RAILWAY SUBSIDY PROGRAMS IN CHINA'S PROVINCES

| Province | Type | Mode of transport connections | Conditions and amounts of subsidies | Validity period |
|---|---|---|---|---|
| **Guangdong** | Volume subsidy | Internal railway | For rail shipments within Guangdong Province: up to 250 yuan (US$35) per TEU<br>For rail shipments outside Guangdong Province: up to 350 yuan (US$49) per TEU<br>Total budget: 100 million yuan (US$14,030,000)<br>The subsidy is available to shippers with an annual shipment volume of at least 300 TEU. | From February 14, 2025 to January 21, 2026 |
| **Fujian** | Subsidy for opening routes, number and volume of transportation | International multimodal rail + sea | For each newly opened route to the Philippines, Hong Kong, Macau, or Taiwan, provided that at least 36 flights operate on this route annually, the company receives 2 million yuan (US$280,600).<br>For operating other international routes and operating at least 36 flights, totaling at least 4,000 TEUs per year, the company receives 3 million yuan (US$420,900) per route.<br>Certain types of subsidies and compensation are provided for increased volumes. | From 2023 to December 31, 2025 |
| | Port of Xiamen<br>Subsidies for route length and «last mile» transportation between the port and the railway terminal | Inland multimodal rail + sea | Available to operators engaged in rail-to-sea container transportation via the port of Xiamen, subject to an annual transportation volume of 1,000 TEU or more:<br>• Up to 400 km — 100 yuan (US$14) per TEU;<br>• From 400 km (inclusive) to 1,000 km or interprovincial transportation with a distance of up to 400 km — 300 yuan (US$42) per TEU;<br>• From 1,000 km (inclusive) to 2,000 km — 400 yuan (US$56) per TEU;<br>• Over 2,000 km — 600 yuan (US$84) per TEU;<br>• Short transhipment transportation between the port and the railway station — 180 yuan (US$25.2) per TEU. | From November 29, 2023 to December 31, 2025 |
| **Zhejiang** | Ningbo<br>Subsidy for actual transportation performed | Inland multimodal rail + sea | Subsidies are provided to operators who carry out at least 2,000 TEUs of rail-sea container shipping per year (laden containers) through Ningbo ports, at a maximum rate of 135 yuan ($19) per TEU.<br>The city budget annually sets a base subsidy amount of 60 million yuan ($8.4 million). If the total amount of payments for applications exceeds this base, the excess is covered jointly: 30% by the budget and 70% by Ningbo Zhoushan Port Co., Ltd.<br>Any payments above 135 yuan per TEU are financed solely by Ningbo Zhoushan Port Co., Ltd. | From January 1, 2024 to December 31, 2026 |

| | | | | |
|---|---|---|---|---|
| | Jiaxing<br>Volume Subsidy | Domestic and international multimodal rail + sea | A subsidy of 130 yuan (US$18) per TEU (loaded container unit) is available to companies operating in Jiaxing for at least one year, transporting containerized cargo from local producers or exporters via rail-sea routes with a single point of origin.<br>Applications for the subsidy are submitted twice a year — in January and July — through the online platform «96871.» | From January 1, 2025 to December 31, 2027 |
| Shanghai | Volume Subsidy | Inland multimodal rail + sea | On a number of routes in the Yangtze Delta, the subsidy rate has been reduced to 289 yuan (US$40.50) per TEU if the route has been in operation for more than two years or carried more than 25,000 TEUs in the previous year.<br>For routes that have not reached these figures, the subsidy is 340 yuan (US$48) per TEU.<br>For routes between Shanghai and key external regions (Shandong, Henan, and Yunnan), the subsidy is 400 yuan (US$56) per TEU. | 2025 – 2026 гг. |
| | Compensation for the costs of transporting containers between the railway station and the port | Inland multimodal rail + sea | Subsidy for transportation between the Luchao Port railway station and the port container yard:<br>• for heavy containers — 180 yuan (25.2 USD) per TEU;<br>• for empty containers — 130 yuan (18.2 USD) per TEU. | Effective since 2024 |
| Jiangsu | Tax deduction for part of the cost of return transportation | International railway | Deduction of domestic rail freight from the total customs value of imported goods for companies importing goods into China via the return routes of the China-Europe Railway Express.<br>Key requirement: The value of the domestic (Chinese) section of the rail transport must be separately declared. | No data |
| | Subsidies for the transportation of transit containers | Inland multimodal rail + sea | 200 yuan (US$28) per TEU for transit containers via Huai'an New Port by rail and water.<br>Maximum 2.5 million yuan (US$350,750) per operator per year. | From October 1, 2022 to September 30, 2025 |
| Hubei | Grant for projects to build or develop multimodal transport hubs | Domestic and international multimodal rail + water | A one-time grant of 20 million yuan (US$2.8 million) will be provided for each project that successfully passes government inspection and is recognized as a multi-level, multimodal transportation project. The project aims to:<br>• construct and modernize transport infrastructure and logistics parks;<br>• promote the digitalization of logistics and implement a «single document» system;<br>• lower tariffs;<br>• develop expert-oriented destinations. | Until 2027 |
| | Wuhan<br>Volume Subsidy | International railway | The subsidy is provided to companies using the port of Wuhan for international container shipping using China-Europe Railway Express trains: 1,000 yuan (140 dollars) per TEU. | By the end of 2025 |

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|---|---|---|---|---|
| | Jingzhou City Multimodal Transportation Subsidies | Inland multimodal rail + water | The subsidy is provided to logistics companies engaged in container shipping through ports and railways, with a minimum volume of 200 TEUs per quarter.<br>Subsidy amount:<br>• Rail + port: 800 yuan (US$112) per TEU;<br>• When changing the container type (e.g., replacing a rail container with a sea container or vice versa): 1,200 yuan (US$168) per TEU;<br>• For loading bulk cargo arrived by water into containers and shipping it by rail: 600 yuan (US$84) per TEU;<br>• If a container arrived by rail is processed at a port and then shipped by water: 200 yuan (US$28) per TEU;<br>• For the transportation of locally manufactured goods from Jingzhou to Sichuan and Chongqing provinces: 800 yuan (US$112) per TEU.<br>Total limit: up to 7 million yuan (US$980,000) per year | From January 1, 2024 to December 31, 2025 |
| Chongqing | Subsidizing high-speed logistics and certain types of cargo; promoting the development of standardized transport documents | International railway | • Subsidies for transportation on China-Europe Railway Express (Asia) trains from Wanzhou Station<br>• Subsidies for goods transported on high-speed freight trains | Subsidies are provided within the framework of the program until 2027. |
| | | International multimodal | • Subsidies for the transportation of bulk cargo in containers through the Wanzhou port area by rail for volumes of 150,000 tons or more.<br>• For the use of the «single document» system (where one document covers both the sea and land sections of the route), an annual payment of up to 600,000 yuan (US$84,180) and loan interest compensation of up to 300,000 yuan (US$42,090) is provided.<br>• Subsidies for established standards for cargo transported along the New Western Land-Sea Corridor[3] | |
| Hunan | Direct cost reimbursement | Inland multimodal rail + sea | For cargo shipped via Yongzhou's rail and sea routes to various parts of the city, if the local road transport distance exceeds 50 km, a 30% subsidy on transport and logistics costs is provided.<br>To support new routes to the western regions of the country, logistics subsidies of 3 million yuan (US$420,900) are provided. | Information on subsidies was published in March 2025, but no validity period was specified. |
| | Preferential tariff and tax compensation | International multimodal | Rail freight rates on the Hunan-Guangdong-Africa route have been reduced by 59%.<br>Transport companies are provided with tax rebates when forming cargo shipments through the Zhuzhou logistics center. | Information on subsidies was published in March 2025, but no validity period was specified. |

[3] The New International Land-Sea Trade Corridor (ILSTC, 西部陆海新通道) is a multimodal trade and logistics route that is a key part of China's Belt and Road initiative. Its primary objective is to connect China's western hinterland with the ports of Beibu Bay in the Guangxi Zhuang Autonomous Region. From there, sea routes lead to ASEAN countries and beyond, currently linking approximately 514 ports in more than 123 countries.

| | | | | |
|---|---|---|---|---|
| Guizhou | Compensation of expenses for operating services on the territory of the logistics hub in the form of direct cost coverage | Domestic and international multimodal rail + water | Cargo owners and logistics operators will receive full compensation for their operating costs from funds provided by the Guiyang Integrated Free Trade Zone. | By the end of 2025 |
| Henan | Preferential rates for rail transportation | Internal railway | Discounts of up to 30% on rail freight rates for certain types of cargo (steel, grain, fertilizers, etc.) | Until December 31, 2025 |
| | Heshan<br><br>Compensatory subsidies for freight transportation by rail | International multimodal rail + sea | Available to companies using export-import container rail transport between Northern Jiangmen and the port of Yantian.<br><br>Volume: 200 yuan (28 USD) per TEU and 400 yuan (56 USD) per FEU; for containers of other sizes, the same price as per FEU. | From July 12, 2024 to June 30, 2027 |
| Shaanxi | Xi'an | Domestic railway | For stations north of Suide (except for stations on the Haoji Line), a 35% discount on the standard rate applies to coal shipments in full wagons and 20-foot containers, destined for Shuanglong, Qinghua, and other destinations. | From February 20 to March 31, 2025 |
| | | Domestic railway | A 15% discount applies to container shipments from Urumqi to Xi'an. | From March 1 to June 30, 2025 |
| | Tax deduction for importers receiving goods by rail from Europe | International railway | Logistics companies are allowed to exclude the cost of transporting goods within China (from the border to Xi'an) from the general tax base. | |
| | Flexible pricing policy | Domestic railway | • A 25-30% discount is available for coal container shipments within the China Railway Xi'an Group jurisdiction.<br>• Up to a 30% discount is available for coke shipped from Xi'an within China.<br>• A 45-58% discount is available for sand and crushed stone container shipments within the China Railway Xi'an Group jurisdiction.<br>• A 20-40% discount is available for chemical fertilizers on certain routes.<br>• A 40-57% discount is available for industrial cargo (lubricants, non-metallic minerals) shipped in 40-foot containers on certain routes.<br>• A 40% discount is available for the rail transportation of industrial cargo (lubricants, non-metallic minerals) in certain routes.<br>• A 95% discount is available for the return of empty specialized bulk cargo containers. • Discounts from 6% to 50% are provided for complex logistics services for the transportation of coal, steel, and zinc. | No data |
| Heilongjiang | Subsidy for the construction and improvement of freight transport hubs and logistics parks | Domestic multimodal | The subsidy is up to 30% of the project cost, with a maximum of 30 million yuan (US$4,209,000) per project.<br><br>The subsidy is available for projects aimed at:<br>• construction and modernization of transport hubs and logistics parks included in the regional development plan;<br>• creation of warehouses, parking lots, cargo handling areas, acquisition of equipment for multimodal handling and the development of digitalization. | Until December 31, 2025 |

| | | | | |
|---|---|---|---|---|
| Sichuan | Subsidy for high-speed rail operators | Domestic railway | • 1 yuan (US$0.14) per kg for express shipments on high-speed rail within Sichuan Province<br>• up to 1.8 yuan (US$0.25) per kg for express shipments on high-speed rail outside the province (interregional) | The measures were published on November 12, 2024; the duration of the subsidies is not specified. |
| | Nanchong<br><br>Supporting multimodal transportation | Multimodal (road + railway + sea) | This permit is granted to logistics companies that use the «single document» and «single container» system to organize the transit of sea cargo through the port. The annual cargo volume must exceed 50,000 tons, with a reward of 10,000 yuan (US$1,400) per 10,000 tons for any additional tonnage. The maximum reward per company is 150,000 yuan.<br><br>If intermodal transport through the port is carried out via a dedicated railway line in the port zone, the company owning the line receives a reward of 5 yuan (US$0.70) per ton. | From August 1, 2025, for a period of two years |
| Yunnan | Targeted compensation of expenses for terminal operations in multimodal international transportation | Domestic railway | Full reimbursement of short-haul container shipping costs (up to 10 km) for international shipments from Kunming metropolitan area rail stations.<br><br>Reimbursement of freight car and container downtime costs due to factors beyond the company's control (e.g., customs inspection). | From October 1, 2024 to September 30, 2025 |
| | Volume subsidies for transportation | Domestic railway | Subsidies for cold chain and fresh agricultural product transportation (including international multimodal transport):<br>• for routes 800 km or longer within the «green corridor»[4] — up to 100 yuan ($18) per ton<br>• for routes outside the «green corridor» — up to 40 yuan ($5.6) per ton<br><br>Transportation growth bonus:<br>• for an increase in transportation volume on a route over six months and reaching 3,600 tons — a one-time bonus of 100,000 yuan ($14,030)<br><br>Subsidies for industrial cargo (coal, ore, fertilizers, steel, non-ferrous metals, etc.):<br>• for an annual increase in shipments — up to 15 yuan ($2) per ton<br><br>Subsidies for high-speed rail transportation (trains with six or more cars):<br>• express shipments within the province — up to 1 yuan ($0.14) per kg<br>• interregional transportation up to 2,400 km — up to 2 yuan ($0.28) per kg<br>• over 2,400 km — up to 2.5 yuan ($0.35) per kg | No data |

[4] The "green corridor" (Chinese: 绿色通道) is a specially designated lane on toll highways for vehicles transporting fresh agricultural products that meet established requirements. The use of the "green corridor" ensures faster travel and provides toll payment benefits, serving as an important government measure to support the agricultural sector and the logistics of agricultural products.

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| Guangxi | Subsidies for the organization of railway transportation | Domestic railway | Nanning to Beibu Bay Port:<br>• 800 RMB ($112) per TEU; annual transport volume should reach 5,000 TEU, with an annual growth rate of 20% or more<br>Nanning to the Greater Bay Area (Guangdong-Hong Kong-Macao):<br>• 1,200 RMB ($168) per TEU; annual transport volume should reach 2,500 TEU, with an annual growth rate of 20% or more | Until December 31, 2025 |
| | Subsidies for the organization of international rail freight transport | International railway | The transportation volume must be at least 250 trains per year, and a stable international logistics channel must be established.<br>Financial support is provided to logistics companies on routes with Nanying County as the origin or destination for up to three years according to the following scheme:<br>• First year: 50,000 yuan (US$7,015) per train;<br>• Second year: 40,000 yuan (US$5,612) per train;<br>• Third year: 30,000 yuan (US$4,209) per train. | Until December 31, 2025 |
| | Subsidies for the organization of multimodal rail and sea transportation through the port in Beibu Bay | International multimodal rail + sea | Freight Rate Reduction Subsidies<br>Subsidies for increased shipping volumes based on the formula:<br>Current year's bonus = (this year's shipping volume / last year's shipping volume) × last year's bonus<br>Refrigerated container shipping subsidy of 500 yuan (US$70) per CFE<br>Large international companies organizing container shipping in Guangxi and operating international routes through Beibu Bay Port for more than a year can receive a one-time bonus of 3 million yuan (US$420,900). | The measures were published in November 2022, but the duration of the subsidies was not specified. |

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| Tianjin | Subsidies for transport volumes; promotion of the development of unified transport documents | Domestic and international multimodal rail + sea | The average monthly volume of loaded containers must be at least 500 TEU. This volume can be confirmed in one of two ways:<br>• a total volume of at least 1,500 TEU for three consecutive months;<br>• an average monthly volume of at least 500 TEU for a reporting period of at least three months.<br>Transportation must be carried out through railway stations or special spur lines located in the Tianjin Port area. The distance from the station to the nearest port terminal must not exceed 10 km.<br>The fee depends on the region:<br>• Beijing — Tianjin — Hebei: up to 400 yuan (US$56) per TEU;<br>• Shanxi and Inner Mongolia: up to 600 yuan (US$84) per TEU;<br>• Shandong, Henan, Shaanxi, Gansu, Ningxia, and Qinghai: up to 800 yuan ($112) per TEU;<br>• Three northeastern provinces, Xinjiang, and other regions: up to 1,000 yuan ($140) per TEU.<br>For using the «single document» (一单制) system for foreign trade transport, an additional subsidy of 1,000 yuan ($140) per TEU is provided.<br>The total annual subsidy for a single transport corridor cannot exceed 4 million yuan ($560,000) excluding the “single document” bonus. | From January 1, 2023 until December 31, 2027 |

Source: The table was compiled by the author based on data from open sources — publications on Chinese government portals and the media.

# PROSPECTS FOR GOVERNMENT SUBSIDIES FOR RAIL TRANSPORT

In the coming years, subsidy policy will no longer focus on compensating for direct transportation costs on rail routes between China and Europe, but on a strategic approach focused on technological upgrades and enhancing the competitiveness of the rail industry.

The implementation of such measures can be seen in the example of Hunan Province, where the government is implementing a comprehensive program aimed at stimulating this sector.

The support system is based on direct financing instruments. The provincial government has established two specialized funds with a combined initial capital of 2.5 billion yuan, which can support projects in the field of hybrid technologies.

Along with direct financing, the province offers a robust indirect subsidy package through tax incentives. Companies operating in this sector are entitled to an additional deduction for R&D expenses, a reduced corporate income tax rate of up to 15% for high-tech enterprises, a tax deduction for investments in environmental and energy-saving equipment, and a VAT refund mechanism.

However, the measures are not limited to financial incentives. Authorities are creating a favorable market environment and stimulating demand for high-tech trains. The government is acting as an intermediary between hybrid locomotive manufacturers and large state-owned enterprises seeking to upgrade their fleets.

Digital transformation will be an equally promising vector. Currently, centralized support is primarily focused on the digitalization of road and water transport. An example is a document published in April 2024 by the Ministry of Finance and the Ministry of Transport of China, according to which the state plans to select approximately thirty pilot regions over three years and finance the digitalization of key road and water routes, subsidizing up to 40-60% of project costs. This support is aimed at implementing IoT, big data, AI, and the Beidou navigation system to increase capacity, creating emergency monitoring and response systems, and creating a unified digital environment for data exchange.

This experience can be seen as a test case for a universal model applicable to other types of transport logistics, including rail. In the context of international transport logistics, emphasis will be placed on simplifying and standardizing procedures, such as the transition to electronic shipping documents in cross-border transactions.

Another key priority is the creation of a seamless transport system, where different modes of transport operate as a single mechanism. The government is actively encouraging the shift of freight flows, especially over medium and long distances, from road transport to more environmentally friendly and cost-effective «rail plus sea» systems. To achieve this goal, the Chinese government has introduced a concept for the development of multimodal transportation based on the principles of «single document» (一单制) and «single container» (一箱制). For example, Tianjin Province is already implementing a subsidy for the use of «single document.» This initiative aims to practically implement seamless logistics: instead of several separate waybills, a single, end-to-end document is issued for the entire shipment, recognized by all participants in the logistics process.

Thus, the key growth areas of government support are based on a shift from quantitative incentives to qualitative changes.

# CONCLUSION

During the period of active promotion of Eurasian transit, provinces were able to offset up to half or even most of operators' transport costs, including fixed payments for each container shipped. However, current subsidies are incomparable in scale to previous direct payment schemes.

Currently, state support is distributed at the regional level and is aimed at increasing the efficiency of multimodal transportation, streamlining operations, creating sustainable logistics corridors, supporting high-value-added transportation, as well as long-term investments in route development, the construction of transport hubs, and specialized infrastructure for specific modes of transportation. Direct payments to offset transportation costs remain, but are limited.

The overall effect of this system contributes to supporting the industry. However, targeted measures only cover individual cost elements or require the fulfillment of specific conditions. For operators, this represents a transition from a generous subsidy model to an environment where state support for container rail transportation between China and Europe is gradually fading into the background.

Administrative barriers to implementing state support measures remain a major challenge. The challenges of subsidizing return shipments between China and the EU demonstrate that even with incentives, the system isn't always effective. In practice, companies face difficulties: the cost of transportation is often calculated as the combined sum of international and domestic segments, and importers are unable to document domestic shipments. In the absence of objective standards for calculating costs, the effectiveness of this measure may be limited. However, as the example of Shaanxi Province demonstrates, methods for simplifying payments and customs procedures are currently being actively developed and successfully implemented.

Promising areas of subsidization will focus on the digital transformation of transportation, the simplification of international logistics through electronic documents, and the development of multimodal transport, including to ensure China's further development as a transit hub on routes between East and West.