

Report on Supply Chain Compliance Volume 2, Number 7. April 18, 2019 Luxembourg joins China's Belt and Road; court rules on Djibouti port case

By Sascha Matuszak

A [rail link](#) between the Intermodal Terminal of Bettembourg–Dudelange in Luxembourg and the Chengdu Qingbaijiang International Railway Port cements another link along China's Belt and Road project. The project is a multi-billion U.S. dollar initiative by the Chinese government to shore up and build new infrastructure linking Chinese manufacturers and consumers with markets and suppliers around the world. The train will run weekly starting in April 2019, and will ship containers from Chengdu to Luxembourg, and from Luxembourg to markets across Europe.

In a complicated case spanning several jurisdictions, the [London Court of International Arbitration ruled](#) that the East African nation of Djibouti must pay USD 385 million, plus interest, to Dubai-based DP World for breaking a 50-year concession agreement in 2018.

Djibouti expelled DP World from operating the Doraleh Container Terminal, then quickly signed a separate agreement with Beijing, via the China Merchants Bank, that created the Djibouti International Free Trade Zone. The free trade zone is part of China's ambitious Belt and Road initiative and gives Beijing a foothold on an important seafaring route, as well as access to growing East African markets.

DP World has won several cases before the London Court of International Arbitration and is litigating in Hong Kong, as well.

This publication is only available to subscribers. To view all documents, please [log in](#) or [purchase access](#).

[Purchase Login](#)