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Strategic Thinking on Development of Air Logistics in Comprehensive Economic Experimental Community of Zhengzhou Airport

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Abstract: It is profound to establish the comprehensive economic experimental community of Zhengzhou airport for the development of air logistics. Firstly it is the essential way to realize the fusion between local economy and world economy and improve urban competitiveness; secondly it is the need to promote the general development level of logistics in Zhengzhou and attract the investments of transnational corporations. In this paper, the implementation points of air logistics strategy to develop the comprehensive economic experimental community of Zhengzhou airport are proposed. The implementation points contain five aspects including the integration of air logistics resources for creating high-quality hardware platform, etc.

Key words: Comprehensive economic experimental community of zhengzhou airport, air logistics, atrategy

INTRODUCTION

The world economy has lead into the age of “speed economy”. The airport, as the infrastructure of air transport, becomes the collection and communication center of human, property, objects and information. Gradually the airport grows into the multifunctional logistics center and transportation center. And even it becomes the key node of global economic activity, shouldering the promotion of regional development. Based on the advantages of air transport it continuously attracts the relevant industries to invest. This leads to the fact that the airport and its surrounding areas develop into a vibrant characteristic region-airport zone. (Mai, 2013).

On March 7, 2013, the State Council officially approved The Development Plan of Comprehensive Economic Experimental Community of Zhengzhou Airport (2012~2025) (National Development and Reform Commission, 2013).The comprehensive economic experimental community of Zhengzhou airport is the first one airport economic zone which is raised to the level of national strategy. The comprehensive economic experimental community of Zhengzhou airport is regarded as the core part of Zhengzhou and Kaifeng integration region, including Zhengzhou airport, comprehensive bonded zone and the surrounded industrial garden areas. Its planning range involves partial areas of Zhongmou, Xinzheng and Weishi with 415 km area. (Geng, 2011).

It is profound for Zhengzhou to vigorously develop the air logistics through creating the comprehensive

economic experimental community of airport. Firstly it is the need of improving the urban competitiveness for Zhengzhou City. The urban competitiveness is viewed as the comprehensive performance of capacity of collection and radiation for a city. The development of air logistics can effectively enlarge the radius of collection and radiation of Zhengzhou City, so its function is incalculable in promoting the urban competitiveness of Zhengzhou City. Zhengzhou is located in the Central Plains which is neither near the border nor alongside sea. Therefore, in order to realize the infusion between local economy and world economy and improve urban competitiveness it is an important way to vigorously develop the air logistics. Secondly it is the need of attracting the investments from transnational corporations to develop air logistics in Zhengzhou. For the transnational corporations, according to supply chain management and globalization thoughts, they currently adjust the production system and sale system and concentrate resources in research and development, marketing and global brand in which they have special advantages. However the logistics, even production, is outsourced by those transnational corporations. The transnational corporations, in which the product cycle is short and downside risk is high, require highly on air logistics service. The logistics environment becomes the major content for investors to evaluate the investment environment in certain region. Thus it has practical and far-reaching influences on improving investment environment, attracting more investment and promoting the formation of advanced manufacturing industry base in Zhengzhou

to accelerate the development of air logistics and improve the overall regional logistics service level.

Through above analysis it is obvious that there are excellent chances to develop air logistics in comprehensive economic experimental community of Zhengzhou airport but there are also many challenges. For example, the airport zones are developed in central region which brings about incisive competition for Zhengzhou airport in attracting investments; the economic strength of Henan Province is limited on boosting the air transport. (Wang, 2013) Although there is large population in Henan, the effective aviation population is relatively inadequate which has effects on the development of air transport industry of Henan Province; the high speed rail also brings strong competitions for air logistics industry. According to the chances, threats, advantages and weaknesses on developing air logistics, the strategic points of developing air logistics in comprehensive economic experimental community of Zhengzhou airport are proposed in the followings.

CREATING THE HIGH-QUALITY HARDWARE PLATFORM BY INTEGRATING AIR LOGISTICS REROURCES

It is the major measure of improving the operational efficiency of air logistics by constructing the “big customs clearance” base in comprehensive economic experimental community of Zhengzhou airport. The operational efficiency and “one-stop” service quality directly have influences on the air cargo volume, air cargo speed and processing efficiency and they are also regarded as the key factors to select airport for airlines, shippers and third party logistics enterprises. (Wu, 2013) The planning assumption of core functional parts in comprehensive economic experimental community of Zhengzhou airport contains two major areas of domestic and international. The planning of domestic area mainly includes domestic air logistics zone and air freight station. It offers facilities for domestic geographically distributed freight forwarders and professional logistics enterprises to complete the receiving, tally, storage, pallet and consignment of goods in domestic air logistics zone and meanwhile the collection and distribution function of inward and outward port cargo can be realized; the international area is mainly used to construct the “big customs clearance” environment, so as to provide the import and export cargoes with “one-stop” service functions including rapid customs clearance, bonded warehousing services, bank guarantee, settlement, insurance, quarantine inspection and safety inspection, etc. The “big customs clearance” base of comprehensive

economic experimental community of Zhengzhou airport should mainly includes:

- Synthesize office complexes for providing convenient and comfortable working environment for customs, “three inspections (survey on imported and exported commodities, entry and exit animal and plant quarantine and frontier health quarantine)” and security inspection, so that the customs clearance of cargoes can be easily realized
- Bonded warehouse supplies for airlines and agents with air materials and bonded storage services of other imported goods and support the bonded logistics business
- The customs supervision territory of import and export freight is used to deposit the import or export licenses or approved documents which are received under the regulation; and it is also used as the special warehouse for the cargoes which are bought out, outright sold, settled of exchange and own all import or export customs formalities; meanwhile, the freight forwarding corporations and logistics enterprises can carry out the multimodal transport of export goods from Xinzheng Airport to other ports nearby through export supervised warehouse
- The supervision center of international express items provides specific places of customs clearing, transit service for inward or outward express mails in Zhengzhou and central regions
- The international air freight station provides airlines and agents with specific places of guarantee services on the inward and outward port of international air cargo
- The international freight village provides operation site and office space of the international cargoes’ receiving, tally, storage, customs declaration, security inspection and plate-making for international freight forwarding corporations and third party logistics enterprises

REALIZING THE STRATEGY OF “BIG CUSTOMS CLEARANCE”BY PERFECTING CUSTOMS SUPERVISION AND BONDED WAREHOUSING SERVICES

The bonded warehouse and export supervision warehouse are regarded as the traditional bonded logistics supervision mode of custom and also the base of the development of logistics. In order to develop the air logistics industry and perfect the clearance environment of Xinzheng Airport, the air logistics zone of comprehensive economic experimental community of

Zhengzhou airport is constructed as a modern air logistics base with reliable supervision and simple formalities. Based on the customs supervision modes at home and abroad and solicit opinions from all sides, the customs supervision territory in air logistics zone of comprehensive economic experimental community of Zhengzhou airport is set. At the same time, the new customs supervision mode is proposed. Consequently the strategy of “big customs clearance” is realized.

By means of high technology, the customs supervision territory is constructed as one multi-functional and comprehensive totally enclosed type of logistics processing zone with whole-process supervision and real-time regulation. (Xiao, 2012)The major architectures contains bonded warehouse, domestic air logistics village used for the international freight forwarders’ tally operation, international freight station, sorting center of international express items supervised by customs, international freight depots including processing areas of express items, processing warehouse of international air freights, joint inspection common building, inspection yard of goods, quarantine yard of goods, temporary seizure warehouse and disinfection processing warehouse, etc. According to the varieties of cargoes processing services, customs supervision territory is divided into four functional zones: common freight zone, express items zone, bonded supervision zone and low value-added operation zone. In common freight zone, the customs comparison is used to supervises the relevant regulations of general trading cargoes and goods in transit; in express items zone, the customs comparison is used to supervise the regulatory measures of inwards and outwards express items; in bonded supervision zone, the customs permit the goods in this zone to be performed the low value-added operation without changing the physical properties, such as split charging, combination, classification, repackage, alternative maintenance and labeling, etc.

REALIZING MULTIMODAL TRANSPORTS BY CONSTRUCTING EXCHANGE CENTERS

The definition of international multimodal transport in the UN Convention on International Multimodal Transport of Goods is as the followings: According to multimodal transport contract, the operator of multimodal transport transfers the goods from the place of receiving goods in a country to the destination of delivering goods in another country with at least two different modes of transport. With the standardization of logistics, especially the containerization of goods, the multimodal transport service mode is continuously generalized. Based on the

original experience on operation of exchange center, the multi modes, including passenger express items, light rail express service and bus express service, are used together by air logistics in the comprehensive economic experimental community of Zhengzhou airport and Xinzheng International Airport through positive communication with different parts. So once the air mails get off the fights, the mails can be transmitted to the modern rapid traffic vectors such as passenger car and light rails with zero waiting and then delivered to the center of city or customers. Through this method, not only the spaces of passenger car and light rail are fully used but also the time is saved and energy consumption is reduced. So it is rapid and environmental, adjusting the development direction of modern logistics.

To establish exchange center in the comprehensive economic experimental community of Zhengzhou airport is the important measure of greatly improving the efficiency of modern air logistics through effective combination of multimodal transport.

CREATION OF EXCELLENT LOGISTICS INFORMATION PLATFORM

With extensive area, the air logistics is oriented towards many different units and departments at home and abroad, so it needs to be interconnected widely. As one collector-distributor point of air logistics, there is a large number of logistics information scattered in each system in airport, such as the governmental customs, “three inspections” and airport office, the airlines, deputy firms, logistics enterprises and bank with enterprise property. The information is irrelevant with its own system but restricts to a great extend the improvement of enterprise operation efficiency. Therefore, a unified and integrated logistics information platform should be established with modern information technology, such as bar code technology, RFID (radio frequency identification), network technology, multimedia technology, GIS (geographic information system), GPS (global positioning system), EDI (electronic data interchange), so that the information exchange and sharing among the above departments can be realized, the transparency of the whole logistics chains is strengthened, the operation efficiency of logistics is improved and the operation cost of logistics is reduced. The main idea of the logistics platform in the comprehensive economic experimental community of Zhengzhou airport is described as: each airline, airport, freight forwarder, client, bank, Zhengzhou Custom and “three inspections” are networked, so that the logistics, information flow, fund flow and commerce flow in relevant

enterprises can be seamlessly exchanged and shared rapidly in real time and the operation efficiency of airport is also improved. The specific functions contain e-commerce, online order, e-payment, electronic drawback, freight track, historical track, network electron customs, vehicle lock, information sharing, call center, etc. The systems and websites which can be interconnected include airport system, custom system, "three inspections" system, LAN system of each airline, information systems of each grade of forwarders and logistics enterprises and public information website.

EXPANDING THE MODERN LOGISTICS SERVICE FUNCTIONS OF THE COMPREHENSIVE ECONOMIC EXPERIMENTAL COMMUNITY OF ZHENGZHOU AIRPORT

Extend the modern logistics service functions of comprehensive experimental economic community of Zhengzhou airport; expand the non-air freight logistics business and construct modern logistics center with high-quality comprehensive service. The success or failure of air logistics operation of comprehensive economic experimental community of Zhengzhou airport depends on whether the logistics enterprises can satisfy and whether more airlines and logistics enterprises are attracted to enter. Therefore, the comprehensive economic experimental community of Zhengzhou airport should be characterized by the operation of air cargoes and meanwhile the modern logistics operation of non-air cargoes should be moderately developed which means that the airport core business is mainly developed in short term and the simply process, sorting, consolidation, package, maintenance and testing of cargoes in air logistics zone can be supplied based on the core business function; provide for shipper with customs clearance and "three inspections" services; supply personal value-added services such as helping shipper book space, track and enquire freight information and so on. Enhance the cooperation with airports in Wuhan, Chongqing and Beijing, supply the freight capacity that covers all the main cities all over the country and even the world and attract the import and export cargoes in central and western regions to enter and leave port through Xinzheng Airport.

In addition to the above extensive service functions, the comprehensive economic experimental community of Zhengzhou airport should extend non-air freight logistics services and positively attract and select transnational corporations, high-tech enterprises, logistics distribution enterprises and e-commerce companies, establish its own storage center, distribution center, processing center, trade center and mail sorting center and multifunctional warehouse based on the planning of zone and perfect the modern logistics server functions of Xinzheng Airport. So a highly integrated modern logistics center with complementary advantages unified the storage, transportation, loading and moving, package, distribution, distribution processing and logistics information service together is formed. Thus it has the ability of providing high-quality comprehensive logistics service for regional development in Zhengzhou and Midwest areas.

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