MARKET AND INFRASTRUCTURE ANALYSIS OF FUTURE AIR CARGO DEMAND IN CHINA
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ABSTRACT
This paper describes an analysis of future air cargo demand in China and its implications for system infrastructure. By extrapolating current trends and evaluating government policies, China is projected to achieve sustained economic development over the next 20 years. Based on this assumption, a forecast for future air cargo demand is made for the period through 2020 using econometric methods. The forecast projects air cargo traffic growth at 11.2% per annum, expanding more than seven fold by 2020 – resulting in an expected 27 million tonnes cargo throughput originating from Chinese airports. A baseline forecast for the cargo throughput at the major hubs and large airports in mainland China, Hong Kong and Taiwan is presented.

THE AIR CARGO INDUSTRY IN CHINA: IMPLICATIONS OF GLOBALIZATION AND WTO ACCESSION*
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Abstract
This paper provides an overview of China’s air cargo industry. China’s recent accession into the WTO establishes the country’s commitment to the liberalization of distribution rights and to the relaxation of restrictions on services such as logistics, thereby creating opportunities for foreign investors. However, the industry has been fragmented and is operating with little market mechanism. It is highly protected and regulated, and is dominated by state-owned enterprises, due to prevalent local protection, and rigid functional demarcations. The manner in which this fragmented industry has coped with the growing need of modern logistics management, which requires integration, both physically and with information, to effectively manage supply chains, is examined. Furthermore, there are tremendous barriers to foreign participation in China’s air cargo sector. These arise from a variety of sources, ranging from domestic regulations, guidelines, institutions, and administrative mechanisms to infrastructure and policy constraints. Relevant research issues that are pertinent to the understanding of this transitioning industry are raised.

The Integrated Express Industry in China: Executive Summary


BUSINESS DYNAMISM ACROSS THE TAIWAN STRAIT
The Implications for Cross-Strait Relations
Karen M. Sutter

http://www.olemiss.edu/courses/pol387/sutter02.pdf

BOOKS on Air Cargo and China (from Amazon.com)

Air Cargo in Mainland China and Hong Kong (Ashgate Studies in Aviation Economics and Management) (Hardcover)
by George W. L. Hui (Author), Lawrence C. Leung (Author), Waiman Cheung (Author), Yer Van Hui (Author), Anming Zhang (Editor)
Hardcover: 185 pages
Publisher: Ashgate Publishing (July 2004)
Air traffic and the aviation industry have grown rapidly on the Chinese mainland in the two and a half decades since China’s open door policy. Accession to the WTO will further stimulate trade and foreign direct investment (FDI), intensifying the demand for air cargo services. It will also open up the Chinese economy to foreign participation in the transportation and logistics sectors, making these sectors more competitive and efficient.

This book provides a systematic and comprehensive study of China’s air cargo industry as well as its policy evolution. It covers the sources and destinations of air cargo in mainland China and Hong Kong: whence it comes and where it goes to. The major hubs of the transportation network – Beijing, Shanghai, Hong Kong, and Guangzhou – are discussed one by one. The virtual aspects of the network at these hubs in terms of IT applications, preparedness, and needs are examined and compared. Though the subject matter of this book is air cargo, there is considerable coverage of the aviation industry and policy on the mainland and Hong Kong. Changes have been happening so fast there are few books and publications that cover them systematically and comprehensively.

Readership includes business executives in airfreight companies, airports and airlines, logistics specialists, aviation university lecturers and students.

TOC
Introduction. Overview: An overview of air cargo flows
The mainland’s aviation industry and policy. Major Hubs: Beijing
Shanghai
Hong Kong
Guangzhou. Information Technology: IT applications in the air cargo logistics industry
IT infrastructure needs of the air cargo industry. Prospect and conclusion: Further liberalization and obstacles
Looking back and looking forward
References
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The 2007-2012 Outlook for Air Freight Services in Greater China (Paperback)
by Philip M. Parker
Paperback: 140 pages
Publisher: ICON Group International, Inc. (October 31, 2006)
Language: English
ISBN-10: 0497687593

This study covers the latent demand outlook for air freight services across the regions of Greater China, including provinces, autonomous regions (Guangxi, Nei Mongol, Ningxia, Xinjiang, Xizang - Tibet), municipalities (Beijing, Chongqing, Shanghai, and Tianjin),
special administrative regions (Hong Kong and Macau), and Taiwan (all hereafter referred to as “regions”). Latent demand (in millions of U.S. dollars), or potential industry earnings (P.I.E.) estimates are given across some 1,100 cities in Greater China. For each major city in question, the percent share the city is of the region and of Greater China is reported. Each major city is defined as an area of “economic population”, as opposed to the demographic population within a legal geographic boundary. For many cities, the economic population is much larger that the population within the city limits; this is especially true for the cities of the Western regions. For the coastal regions, cities which are close to other major cities or which represent, by themselves, a high percent of the regional population, actual city-level population is closer to the economic population (e.g. in Beijing). Based on this “economic” definition of population, comparative benchmarks allow the reader to quickly gauge a city’s marketing and distribution value vis-à-vis others. This exercise is quite useful for persons setting up distribution centers or sales force strategies. Using econometric models which project fundamental economic dynamics within each region and city of influence, latent demand estimates are created for air freight services. This report does not discuss the specific players in the market serving the latent demand, nor specific details at the product level. The study also does not consider short-term cyclicalties that might affect realized sales. The study, therefore, is strategic in nature, taking an aggregate and long-run view, irrespective of the players or products involved.

Postal and Courier Services in China: Market Analysis
Access Asia Ltd., Oct 2000, Pages: 75

This updated report on the postal and courier services industry in China is part of the China Contact Market Research report series. The report covers the market and current state of development of the post office, courier and related services.

Report Coverage
This report on the market for postal and courier services in China covers both the traditional postal market - represented in China by the State Postal Bureau, or China Post, and the market for courier and air express services such as those traditionally offered by companies such as FedEx and UPS.

China’s postal services have made tremendous progress in terms of network size, technological level and service quality over the past 50 years. The service is operated by the China State Postal Bureau, more commonly known as China Post, and has four categories of service which it provides: postal delivery, newspaper and magazine distribution, philately, and postal savings and remittance services.

In essence China Post remains the dominant force and monopoly in the Chinese postal market. However, in the area of courier services and express parcels there is some competition with the major international players such as Federal Express, United Parcel Service and DHL etc.

While little is expected to change in terms of the day-to-day functions of the Post Office in China post-WTO, it is clear that China Post is reorganising itself into a modern post
office and targeting services such as the Internet, direct mail and financial services as growth areas into which it can extend its business. In the courier and air express sector the country is opening up additional air routes for delivery companies such as UPS, FedEx and others to access China. However, at present FedEx remains the only dedicated American courier and cargo company flying directly to China.

**Journal Articles Available to Purchase Online**

*Analyzing China's air cargo flows and data*
Journal of Air Transport Management
Volume 10, Issue 2, March 2004, Pages 125-135
George W. L. Huia, Yer Van Huib and Anming Zhang, , c

Abstract

This paper provides an analysis of China's air cargo flows. We identify major air transport hubs in China and examine cargo movements between them. We also discuss some of the difficulties in comparing air cargo data between Mainland China and Hong Kong, and point out the areas where China's data system can be further improved. In addition, the paper provides overall statistics on China's aviation and describes air cargo trends in China.

Author Keywords: China's air cargo flows; Air cargo hubs; City-Pair traffic data; Aviation data analysis

**Other China Trade Links**

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