

Book review

AIR CARGO IN MAINLAND CHINA AND HONG KONG.

A. Zhang, G. W. L. Hui, L. C. Leung, W. Cheung and Y. V. Hui.
Ashgate, Aldershot, 2004. ISBN 0 7546 4216 X, £45.00, 202 pp.

This book is exactly what is said in the opening sentence of the preface: it is a reference book on the air cargo industry in China and Hong Kong. The list of authors might give one the impression that the contents could be entirely academic. Far from it: the practical, industry-based text is admirably supported by excellent figures and tables. It is an essential read for both new and existing players in the market, and is an important introduction to an international business in, arguably, the fastest expanding economy in the world. Three reasons why the book is so timely are: the restructuring of the aviation industry in China; the global development of the IT industry; and China's high-profile entry into the World Trade Organisation.

The book opens with an overview of the air cargo network, with specific reference to the six regions of the country. Statistical data for passenger and freight by origin, destination and type are scarce, but the book makes the most of the limited data available. Beijing in the northern region is the busiest in terms of air passenger and air transport movements, whereas Shanghai in the east has a greater air cargo throughput. Shenzhen in central south China benefits from its proximity to Hong Kong, with its superior traffic rights. The authors explain the trading differences, cover the international aviation scene, rules and regulations in considerable depth, and identify the country's major trading partners throughout the world. The book identifies development in the country's air transport industry, whereby improved traffic rights are opening up areas in a freer 'open skies' market, with new carriers able to operate their own financial affairs within a less restrictive state regime.

A large body of the text deals with the principal airports in the various regions. Air cargo activity at the major hubs is

described in detail, with Beijing having significant advantages in catchment attraction, development potential and international market access (5 h flying time to over 2 billion people). Shanghai is largely an origin/destination airport, but is seen as a future hub, given the dynamic drive and economic strength of the six eastern provinces. Hong Kong is currently the busiest airport, with over 32 million annual passenger movements and 2.5 t of air freight. Clearly, the impressive development of the new airport at Chek Lap Kok has helped it to become the world leader in international air cargo throughput. The book outlines the government policy objectives for the main and subsidiary airports, including the establishment of a major hub at Shanghai and enlarged roles for the mainland airports in the southern region, such as Guangzhou and Shenzhen.

The authors describe the growing influence of IT in the international air freight industry. Hong Kong is fairly advanced in this area, but the mainland has much to do. They explain the clear advantages for airlines, forwarders integrators, shippers etc., including more extensive involvement in e-commerce and e-business. The book advocates the wider development of e-logistics networks, providing better cargo management, commodity tracking and integration with the regulatory and control authorities.

The obvious conclusions call for greater air traffic liberalisation in China and the updating of old, strict regulatory practices. An important first step will be to fully embrace the services available through the internet. This book identifies the opportunities available to the air cargo industry in China: opportunities also available to international operators in this business, for whom it is an essential read.

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