

China Business Guide

中国商务指南 2009

(The Logistic Industry)

China Council for the Promotion of International Trade

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Foreword

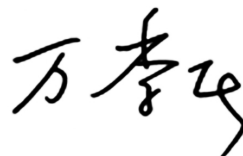
China is the largest developing country with a great popularity and a vast territory. During 30 years' reform and opening-up, China's economy has seen rapid and steady growth. In this process, the thriving of foreign trade, the tidal wave of foreign investment and introduction of advanced foreign technology played important roles.

As the largest promotion authority for foreign trade and investment, China Council for the Promotion of International Trade (CCPIT)/China Chamber of International Commerce (CCOIC) has always been dedicated to the development of Sino-foreign economy and trade. China Business Guide is one part of our promotion series. It is regularly edited and published to introduce China's foreign economy and trade as well as business environment to commercial and industrial circles at home and abroad. China Business Guide has won wide popularity since its first edition in 1996.

From 2008 on, we released five sub-volumes for China Business Guide including Machinery, Automobile, Textile, Electronics Information and Mining, which mainly presented their latest developments in China. In 2009, we added another five sub-volumes including Light Industry, Building Materials, Logistics, Energy and Aerospace about the latest situation of these five industries. We have so far introduced the developments of ten major industries in China's traditional industrial economy to the world in English version so that the global business circles can have a better understanding about the development of China and the great changes of its major industries and sectors.

China will gain more vitality in the transform. China means new opportunities to everybody who pays close attention to China's economy. I hope China Business Guide sub-volume series will further help business circles at home and abroad.

Wan Jifei

A handwritten signature in black ink, consisting of stylized Chinese characters '万孝飞'.

Chairman

China Council for the Promotion of International Trade
China Chamber of International Commerce

Preface

Ding Junfa

Chairman of Logistics Sub-council of China Council for the Promotion of International Trade
Scholar

Expert entitled the Special Allowance of the State Council

July, 17th, 2009

Published by China Council for the Promotion of International Trade and China Chamber of International Commerce, Logistics Volume of China Business Guide in China is an important approach to providing a systematic and all-round introduction of the development of China's logistics industry at present, and it also helps business partners at home and abroad gain a wider knowledge of business environment and prospect of the industry. As one of the volumes of China Business Guide in China, Logistics Volume provides an overall introduction of China's Various industries in terms of achievement, development, international position and influence, as well as policies and regulations concerning investment and operation.

As a compound service industry combining transportation industry, warehousing industry and freight forwarding industry, China's logistics industry is an important part of the national economy. China's logistics industry covers a large range of fields, offers vast opportunities, and thus plays a significant role in boosting consumption, promoting industrial restructuring and transformation of economic development pattern, and strengthening the competitiveness of national economy. Programs for Restructuring and Promotion of Logistics Industry issued by the State Council on March 10th, 2009 provides a clear explanation of the strategic deployment of the medium and long-term development of China's logistics industry, which is a reflection of the key concern on the development of logistics industry from the Chinese Government. The rapid development of China's economy and the intensifying communication in international trade provide abundant and powerful space for the development of China's logistics industry. Manufacturing enterprises and circulation enterprises in the fields of business and trade have begun to attach importance to modern logistics ideas and the application of modern management and technology concerning modern logistics. China's logistics industry has attained an important position in the international market, e.g. the capacity of China oceanic shipping ranks top in the world, the cargo throughput at ports and the cargo throughput of containers have been ranking No.1 in the world for several years consecutively. Logistics Volume of China Business Guide published by China Council for the Promotion of International Trade provides a complete introduction to China's logistics industry.

Based on a complete analysis of objective and elaborate data, Logistics Volume of China Business Guide in China makes an all-round analysis and introduction of the development of the industry and its role and position in the national economy; the development trend of the global logistics industry and the global position of China's logistics industry; the development of infrastructure facilities of China's logistics industry; the factors influence the development of China's logistics industry; the development of subsidiary industries of China's logistics industry. Based on a large amount of data and diagrams, the Volume makes a detailed introduction to the operation features of China's logistics industry in 2008 and the development of regional logistics and logistics parks, which help readers gain a complete and profound knowledge of the latest development of China's logistics industry. In compliance with the strategy of "Walk Out" advocated by the state, the Volume also makes an introduction Global Going on the methods of the strategy for logistics industry. Furthermore, it also gives an introduction of the leading enterprises in shipping, railroad, road, post office and warehousing, which makes it more convenient for readers to gain a better knowledge of logistics enterprises in China.

The Volume also wrers the related policies and regulations of China concerning the development of logistics industry, including policies on industry development, market supervision, trade and investment, and taxation. Finally, prediction and prospect are also made on the trend, goals and tasks of the development of China's logistics industry. Policies and prospects are the two factors of the greatest concerns among foreign investors, so the content of the Volume will play an active and effective role in the communication among players in the industry from all over the world.



The publication of English Version for the Volume makes it more convenient for foreign investors and partners to gain a better understanding of the development situation as well as the prospect of China's logistics industry. Under the guidance of policies of industrial restructuring, new developing trend and features are to appear in China's logistics industry, which are sure to provide greater impact on the optimization and upgrading of industry structure. The impact of financial crisis on China's logistics industry and the corresponding measures taken by the Chinese government and enterprises are also introduced in the Volume.

Headquartering in Beijing, China Federation of Logistics and Purchasing is the only comprehensive social organization in logistics and purchasing approved by the State Council. The major responsibilities of China Federation of Logistics and Purchasing are promoting the development of China's logistics industry, the development of purchasing of both governments and enterprises, and the reform and development of circulation field of production materials; accomplishing the tasks assigned and commissioned by the government. China Federation of Logistics and Purchasing are granted by the government with the functions in foreign affairs, science and technology, statistics of the industry, and making and revising criteria for the industry.

The business scope and major functions of China Federation of Logistics and Purchasing include: reporting recommendations and requirements of enterprises to governments and protecting the legitimate right and interest of enterprises; organizing and implementing investigation and statistics of the industry, and providing recommendations on development scheme, industrial policies and economy legislation to governments; implementing market investigation, analyzing market situation and providing information consulting services; organizing experience exchange activities and rewarding the advanced enterprises in the industry; organizing theoretical research and holding academic forums; participating in the designing and revising of national standards and industry standards in goods circulation and logistics; promoting education of logistics and the training of professionals; providing law consulting services; promoting outbound cooperation and communication; organizing exhibitions and trade activities and implementing the work of scientific and technological information of the industry; organizing public welfare activities in the industry; editing and publishing periodicals of the Federation, Year Book, data and other publications; undertaking tasks commissioned by governmental bodies.

Opportunities are along with touch challenges for the development of China's logistics industry. China Federation of Logistics and Purchasing stick to the fundamental principle of "Providing services for enterprises, industries and governments", expand outbound communication and cooperation, give a better play to the role of bridge and link, and commit to boosting the development of logistics and purchasing in China.

The image shows a handwritten signature in black ink on a light-colored background. The characters are '丁俊发' (Ding Junfa), written in a cursive style. The first character '丁' is on the left, followed by '俊' and '发' on the right.



Comments on the Development of China's Logistics Industry

Cai Jin Deputy Director of China Federation of Logistics and Purchasing
Director of China Logistics Information Center

Position and Role of Logistics Industry in National Economy I

Development Achievements Attained by China's Logistics Industry and Its Present Structure

Major Problems in the Development of China's Logistics Industry

Key Opportunities and Challenges for the Development of Logistics Industry.....

Prospect of Modern Logistics Industry in China.....

As a compound service industry combining transport industry, warehousing industry and freight forwarding industry, China's logistics industry is an important part of the national economy. The development of logistics industry plays a significant role in promoting production, boosting consuming, increasing employment, optimizing resource allocation, accelerating industrial restructuring, transforming economic growth pattern and improving the operation quality of national economy.

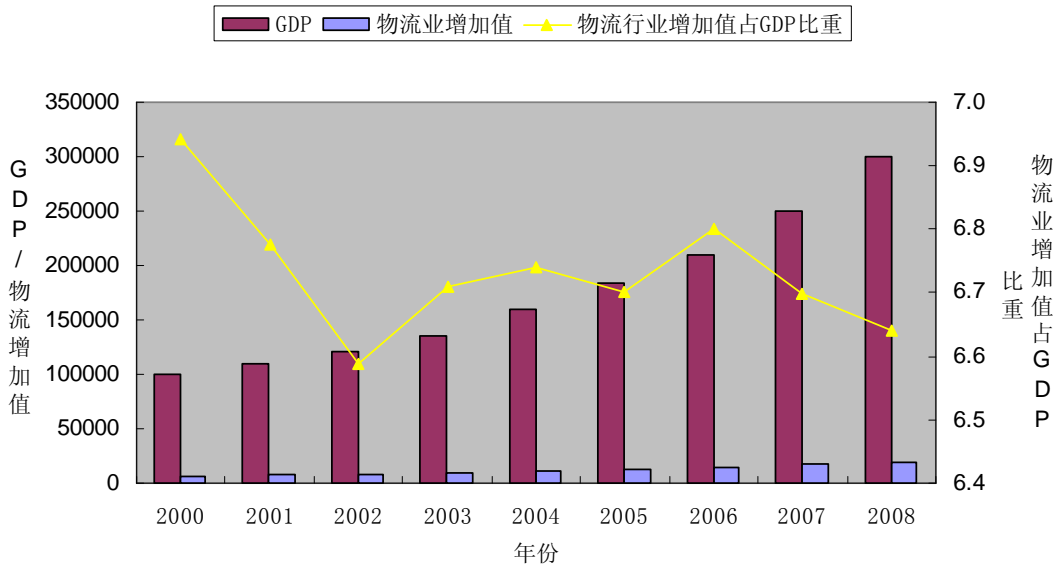
Position and Role of Logistics Industry in National Economy

With the characteristics of advanced organization method and management technology, modern logistics has been widely recognized as an important source of profits for enterprises besides the reduction of material consumption and the promotion of labor productivity. The development of national economy, especially the transformation of economic growth, depends on the fundamental support by logistics. In coping with global financial crisis, modern logistics plays a significant role in accelerating the transformation of economic growth and in promoting industrial restructuring.

As an important component of national economy, logistics supports the fast and steady development of economy.

According to the statistics issued by China Logistics Information Center, the annual average contribution to GDP by logistics amounts to 10.4% since the beginning of the new century. The annual average growth rate of GDP of the country is approximately 10%, of which approximately 10% was boosted directly by logistics industry. In 2008, the added value of China's logistics industry amounted to RMB1, 996,400 million, which means a year-on-year growth rate of 15.4% and 6.6% of GDP of that year. The contribution to GDP by logistics industry amounted to approximately 12.8% in 2008. As an important production-oriented service industry, logistics industry has become a leading industry in national economy and plays an important role in the development of social economy.

Proportion of added value of logistics industry among GDP



物流业增加值: Added value in the logistics industry

物流业增加值占 GPU 的比重: Added value as part of GDP

物流业增加值占 GPU: Added value as part of GDP

Source of data: statistics and accounting of social logistics

The development of logistics industry boosts economic restructuring.

The tertiary industry holds a large proportion among national economy, and it is also one of the key symbols for advanced economy of a country as well as an important direction for economic restructuring in China. Logistics industry is a production-oriented service industry among tertiary industry, so its development will definitely boost the development of tertiary industry.

According to statistics, the added value of China's logistics industry in 2008 amounted to 16.5% of the total added value of the tertiary industry of that year; the rate of contribution to the added value of service industry by logistics industry amounted to 30.0%, and of the 9.5% growth rate of added value of tertiary industry, approximately 2.8% was boosted directly by logistics industry. As a result, the rates of added value of tertiary industries among GDP in China increased from 33.2% in 2000 to 40% in 2008, which is powerful indication of the remarkable impact of logistics industry in boosting tertiary industry. Therefore, the acceleration of logistics industry is of great significance in promoting economic restructuring and in realizing transformation of economic growth.