

Air Cargo in Mainland China & Hong Kong by Zhang et al.

Although many of today's popular consumer goods depend on air cargo for their physical distribution, surprisingly little books have been written about this market domain. The authors of the book "Air Cargo in Mainland China and Hong Kong" have done efforts to overcome this lacuna, at least as far as the Chinese region is concerned.

Book review by Willem-Jan Zondag

The book is divided into four parts, each dealing with specific characteristics of the Chinese air cargo industry. The first part provides an excellent overview of the noticeable development of the Chinese aviation markets in the recent past. The attention given to the Chinese air transport policy development is important as the Chinese air transport industry has matured in a much shorter period of time compared to Western markets. The authors outline that the Chinese air transport industry was a paramilitary organization until 1979 since all air transport related activities were carried by the Civil Aviation Administration of China (CAAC). The CAAC itself was part of the Chinese Air Force at that time. Several reforms have since occurred replacing the centrally planned situation for a market economy. In practice, this meant that the CAAC had to be split-up into several airlines, airports, an air traffic control organization and a governmental policy body. With regard to airlines, there are currently a number of CAAC spin-offs while privately established airlines have emerged as well. This first part is really worth to read as the Chinese civil aviation industry has very specific characteristics that consequently impact the functioning of the air cargo market in this region.

Part two turns the focus to the four Chinese business regions with the highest import: Beijing, Shanghai, Hong Kong and Guangzhou. The shipping business within these regions and to other regions is outlined while the most important cargo airports and airlines in that region are also given spe-

cial attention. Companies seriously considering to do air cargo business with or within mainland China should take note of this second part. Especially the chapter about Hong Kong deserves attention as the Chinese government considers Hong Kong as a 'Special Administrative Region'. As a former British colony, Hong Kong has a totally different history than the other regions discussed.

Part three is a discussion on information technology applications and infrastructure needs of today's complex air cargo industry, demonstrating why these IT needs are so complex. For instance, with the involvement of many different market participants, there exist many different needs, different IT systems and different levels of advancement. The authors provide an overview of the use of IT systems by the different market participants in Hong Kong compared to the other regions discussed in part two. The second chapter of this part on infrastructure needs has a very technical character and seems only interesting for insiders and less for people with a general interest in air cargo.

The fourth part is entitled "Prospects and Conclusions" and contains some thinking on further liberalization of the aviation market, especially with regard to air cargo services. This discussion has a general nature but focuses on the Chinese circumstances as well. The authors provide an argumentation about the pro's and cons of an Open-Skies Bloc for Northeast Asia and the liberalization of air cargo services in particular. However, the



authors also show that it is unlikely that such a relaxation will soon be reality in China given its conservative international aviation policy.

Questionable in this book is the way the authors distribute their attention to the air cargo chain participants, of which the shipper, the airline, the forwarder and the integrator can be considered as important. In my opinion, attention given to the air cargo chain participants in the book is not in proportion. It is unclear why, relatively speaking, a lot of attention is paid to the role of airports, which are essentially facility services providers, and hardly anything is said about the role of forwarders and integrated express companies. In the unlikely case that these two market participants are of minor importance for the Chinese air cargo industry, a focused chapter on forwarders and integrated express companies is in order for completeness. A minor disadvantage is that the book seems outdated, already two years after its publication. The book is full of facts and figures, but most data mentioned is over five years old now. In such a fast-developing country like China, that's quite a long period of time.

Notwithstanding these comments, this book is recommended reading for all those people interested in air cargo, especially in the Chinese region. The authors provide an in-depth view of developments in the Chinese air cargo market and put this into a wider perspective of historical, political and economic developments.