Asian Social Science
www.ccsenet.org/journal.html
Vol. 4, No. 6
June 2008

Inspiration and Reference from Japanese Logistics Park's Construction and Development

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Abstract

Japan, as one of the most developed country in logistics field in the world, has developed its logistics parks earlier. This paper takes Japan's logistics park as the subject in research. By analyzing Japan's experiences of developing logistics parks, this paper tempts to find out problems in China's logistics parks and put forward suggestions for further development and construction.

Keywords: Logistics parks in developed countries, Construction, Reference

Logistics parks refer to city logistics functional regions that focus on logistics' organization and management. They aim at providing with services for economic development. At the same time, they are economic functional regions in which relevant logistics facilities can help to decrease costs of logistics, improve efficiency of logistics operation, and perfect products' circulation and process and the purchase of raw materials.

The concept of logistics parks have been introduced into China since several years ago. The insufficiency of theories and practices serves as the main barrier in the development of China's logistics parks. Under this background, to research developed countries' experiences of developing logistics parks is meaningful for China's logistics parks' development, which is also an effective way to find out a development mode that is right for China. Japan is one of countries that possess mature logistics in the world. Many domestic scholars in China praise highly for Japan's experiences in developing logistics parks.

1. Japan's experiences in developing and constructing logistics praks

Japan is the first country that has advanced the concept of logistics parks and has developed logistics parks (also be named as logistics regions). Since 1965, Japanese government has begun to build up four logistics parks respectively in Kasai (the east of Tokyo), Hoping Island (the south of Tokyo), Oshima (the west of Tokyo), and Adachi (the north of Tokyo). Today, Japan has already built up more than twenty large scale logistics parks in twenty-two cities. Japan has the most developed logistics in the world. According to relevant materials issued by International Logistics Expo 2000, in 1999 the social logistics costs account for 9.6 percent of GDP in Japan that is less than America's 10.7 percent at the same period.

1.1 Focus on the rationalization of urban logistics

For logistics parks in Japan, the most important associated element is the city's construction and development. Perhaps it is because of the small area and the graver urbanization issue in Japan, Japan is the first country that has made up regulations for logistics parks. Since late 60s, Japan has begun to plan and develop logistics parks. As one of earliest countries that began to develop logistics parks, Japan has its background. In Japan, most logistics parks are around big cities or near transportation hinge. And Japan's logistics parks focus on the rationalization of urban logistics, what is different from that in Germany. Logistics parks contribute a lot to Japan's highly-developed physical distribution industry. Logistics parks exert their powerful function of distribution by serving cities. The Hanshin logistics park built in 1991 is a highly-collectivized association combined by 64 enterprises. Take Tokyo for example, the four logistics parks respectively located in eastern, southern, western, and northern Tokyo block off other logistics. These four logistics parks combine with other logistics knots to form an effective urban logistics net by urban transportation lines, providing with logistics services for the city. Meanwhile, the four logistics parks connect with other transportation lines and form a unified region with other logistics parks or even a national logistics net. By means of bi-line-haul and short-line transportation, logistics parks can help to form a highly-effective national transportation system, which

becomes the main artery of Japanese economy. Practices prove that logistics parks exert positive effects on the development of Japan's logistics t, especially on the development of urban distribution.

1.2 Government drives the construction of logistics parks.

The construction of logistics parks is driven by Japanese government. The Japanese government plays an important role in the construction of logistics parks. Japanese government regards the development of modern logistics as an important way to improve the comprehensive national power. Therefore, the government lays more stresses on its macro control and the effect.

(1) Emphasize on planning

By framing the development planning of logistics parks and the equipped urban programming, the government chooses right places, such as the edge of city, the out of inner lines, and the main lines between cities, that are ready for equipped facilities for the construction of logistics parks.

(2) Make up relevant favorable policies and encourage the development of modern logistics industry.

In the aspects of perfecting roads and facilities, improving urban river transportation, reducing urban road blocks, and developing associated-transportation, Japanese government has issued a series of feasible encouragement policies, such as reducing regulations, constructing official coordination institutions, and supplying for official assistance. In the construction of logistics parks, Japanese government usually sales lands to development groups at lower prices and then many private groups build up practical logistics parks by loaning from banks. For example, firstly the government sales lands to logistics associations. Then, associations realize financing from members by means of stocks. These collected capitals will be used for buying lands and constructing logistics facilities. Besides, the government may provide with low-interest loans for the construction. Considering these facts that the construction of logistics parks needs for a great number of capitals, the return of profits needs for a long period, and the social effect is significant, especially for the improvement of urban transportation and city function, the government asks banks to provide with long-term low-interest (in the construction of Hoping Island logistics park, the interest is 30 percent of the normal) or non-interest (Yokoso logistics park) loans for the construction.

(3) The government invests in more capitals to expedite the construction of logistics parks.

In 1997, Japan constituted the Administration Outline for Comprehensive Logistics, providing with powerful capital support for main logistics infrastructure, including railways, roads, airports, ports, and center bases. For example, the largest and newest comprehensive logistics center in Japan, the Hoping Island commodity center consumers 57.2 billion Japanese Yen in construction. Thereof, 70 percent is from the central finance, 20 percent the Tokyo local finance, and 10 percent the enterprises. Besides, in the planned logistics parks, the government drives the construction of equipped transportation and urban infrastructure, attracting more logistics enterprises to enter the parks. Meanwhile, the increasing prices of lands and values of real estates in logistics parks give more return to investors.

Today, Japan has already possessed a great systematic logistics system in the whole country. Expressway covers all over the four islands in Japan. New lines penetrate into Honshu, Kyushu in the south, and Hokkaido in the north. All islands are connected by trans-ocean bridges and sub-sea tunnels. Numerous periodical flights shuttle in offing. Information net covers all corners of Japan. The 86-88 (2 new logistics parks come into being because of growth of economic gross) logistics parks, sorts of distribution centers and logistics centers, and circled allocation paths serve as the foundation of logistics system. Plus the advanced electronic commerce, the logistics efficiency of Japan surpasses that of Europe and America, being the No.1 in the world.

2. The problems in the development of China's logistics parks

Comparing with Japan's mature logistics parks, China's logistics parks have many shortcomings and disadvantages in development and construction. Main problems include these aspects as follow.

2.1 The motivation of constructing logistics parks is improper.

The improperness of motivation includes two aspects, namely the local governments and the logistics parks' operators. On one hand, in the transformation from traditional transportation to modern market logistics, the government can not understand the local industry structure, the infrastructure facilities, and the logistics' supply and demand from a macro angle. Then, the local government can not make up a scientific planning for logistics' comprehensive development. But the government still chooses to approval and start the logistics park project merely in order to pursue for administrative achievements. On the other hand, some logistics park operators meet the local government's political direction and take advantages over the favorable policies in lands, administration, and taxes provided by local government by investing in the construction of logistics parks. However, their real intention is to save lands, develop real estate and commercial projects instead of operating logistics parks, since there is no need for logistics. Driven by this motivation, logistics parks confront with lots of serious problems, such as repetitive construction, super-scale construction, rise of land prices, and increase of business costs, that block the normal development of logistics parks.

2.2 The irrationality of logistics parks' allocation and scale

At present, China's logistics parks centers in seaside cities where economy develops well, but less in the middle and the west. There is only one logistics park in Sinkiang, and none in Tibet. This allocation causes such a result that there is a contradiction between the surplus of logistics parks in the east and the shortage of logistics parks in the west. The transportation of agricultural and industrial raw materials from the west to the east faces up with difficulties and high costs.

Too much logistics parks and their large sizes would lead to or has already led to the surplus problem of logistics parks. The number of logistics parks per one-hundred-million GDP (number of logistics parks / total GDP) indicates that the logistics parks are too much in China. The number in Japan is 0.0018, almost five times of the number in China, 0.0077. Besides, the size of one logistics park in China is too large. Nearly 50 percent of logistics parks are larger than 1 million square meters. Thereof, 20 percent of logistics parks are larger than 5 million square meters. In contrast, the logistics parks in foreign countries that operate with high efficiency are far too smaller. Their throughputs are higher than that of China's logistics parks although their areas are smaller. The large quantity and size of logistics parks are one of main reasons that cause the issue of unused logistics parks in China.

2.3 Some logistics parks do not possess clear target positioning, being kind of blindness.

Most logistics parks completed or in construction are short of clear target positioning. No carefully planning for their market positioning, industrial positioning, functional positioning, service target positioning, and operators' business policies before the construction. Although many logistics parks aim at constructing "the largest modern logistics distribution centers in the region that affect the whole country and even the world greatly", planners do not know who the logistics would serve, what the services are, what the needs of potential service targets are, and the development scale of logistics parks. In fact, some logistics parks do not make sufficient preparation for their construction in prophase planning, market research and analysis. As a result, many logistics parks do not have clear positioning in functions and target customers.

2.4 The logistics parks' operation is imperfect.

Most domestic logistics parks merely provides with services in renting warehouses and logistics equipments, what is similar to traditional storage industry. These kinds of services can not meet the differentiated needs of customers. Because of out-of-date equipments and facilities, low qualities of employees, and poor information degree, logistics parks can not provide with high value-added services for trans-national companies, causing the imbalance of service supply and demand.

3. The policy suggestions for constructing China's logistics parks

A series of problems in logistics parks' development in China indicate the shortage of theories and practices in China. Therefore, as we seek for resolutions for these problems, we can take reference from Japan's successful experiences, putting forward suggestions for rationally constructing logistics parks.

3.1 Make the government exert its macro adjustment and coordination effect fully

At present, China, as a developing country, does not have developed economy and mature distribution center. Logistics parks in China do not possess advantages that effectively attract logistics enterprises. Therefore, the government's encouragement and push are useful and meaningful. Meanwhile, only when the government provides with support for the development of logistics parks by means of macro adjustment, can logistics parks gain further development. The logistics parks can drive the development of China's logistics industry, which can not only create great economic benefits but also generate potential social effect. Since it can benefit both the nation and the public, the government should not shirk the responsibility of being the advocator and the pusher. The government should do what the enterprises want to do but can not do, coordinating the relationships between official sectors, corporate branches, government and enterprises, trying to solve some practical problems for enterprises, exerting its advantages in leadership and coordination, providing with a nice environment for the development of logistics parks.

3.2 Rational arrangement and scientific planning

The goal of logistics parks' planning design is to satisfy the logistics needs at different levels, integrating present logistics resources in space effectively, achieving the maximization of logistics' social, economic, and ecological effect. Logistics parks' planning should be in accord with the city's overall outlay, the urban industries' space arrangement and structural adjustment, the commodity, especially the dangerous goods' urban management long-term effect, and the city's function positioning and development strategy. It is necessary to make an overall planning in general. Logistics parks' planning is a systematic project. Logistics concerns a large scope, covers a wide area, and have complex procedures. Its success depends on the coordination of relevant parts.

3.3 Make up encouragement policies and attract more enterprises

As a new form of modern logistics, it is necessary to provide with support and encouragement by favorable policies,

such as land policies, finance and tax policies, industrial and commercial policies, residence policies, industrial adjustment and directive policies, and policies that reward the lead enterprises, at its initial stage. However, China does not possess developed economy at present. The market mechanism is imperfect. The logistics market is immature. The quantity of logistics enterprises is large but the size is small. Therefore, it is hard to form an integrated investment in logistics parks merely by depending on market mechanism or enterprises themselves, what will block the development of modern logistics in China. As a fundamental industry that aims at decreasing total social costs, the government should provide with support in both policies and capitals, and shoulder the responsibility of constructing necessary infrastructure, creating a nice basic condition for attracting logistics enterprises.

3.4 Enhance the construction of transportation facilities in logistics parks

Transportation infrastructure directly concerns the further development of logistics parks. Amounts of logistics enterprises live in logistics parks. Thousands of vehicles came in and out the logistics parks everyday. Therefore, the transportation infrastructure nearby should meet this needs. Without proper planning, the logistics parks will bring about heavy burden for transportation. So, it is the government's great task to enhance the construction of transportation infrastructure and improve the transportation condition in logistics parks.

Here we should notice that the reference should be controlled under certain degree. Blind copy will generate risks inevitably. We should seek for the right form considering China's general conditions and local conditions.

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