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## Strategic Analysis on Logistics and Public Information Sharing Platform of Hubei Province of China

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**Abstract:** This paper mainly analyses Hubei Province's modern logistics and its logistics information technology development status, and compares Hubei Province's logistics status with eastern coastal Provinces' logistics development status. To analyze and research the necessity of building Hubei Province's logistics and public information sharing platform from the aspects of economy, environment and policy.

**Key Word:** Logistics; Logistics Information; Information Sharing Platform.

## **1 INTRODUCTION**

In today's economic society, which is made up of consumption, production and circulation, logistics has become a tool to shorten the distance between producers and consumers both in time and space. Because, no matter producers or consumers; they both don't want to spend too much time on circulation, which makes the function of logistics become more and more important. Logistics and public information sharing platform as an information sharing platform can help to shorten circulation time, it can quickly and efficiently handle a variety of information that produced from all aspects of manufacturing, transportation, handling, processing, distribution, etc, and deliver these information accurately and quickly to all the related enterprises and logistics companies and relevant government departments that on the logistics chain through logistics and public information sharing platform. <sup>1</sup>

## **2 The Logistics Status of Hubei Province of China**

In recent years, the logistics industry of Hubei Province has being in a strong development situation, and it is transiting from the initial stage to the stage of rapid development. Gradually, it has become the pillar industry of Hubei Province's economic development, and made very important contributions to the Province's economic development. However, for the present, the overall development of logistics industry in Hubei Province is still very low, and it has a big gap compared to the eastern coastal Provinces. Besides, there are a range of issues, such as the economic development is limited, the technological level is low, and the logistics information resources are single and fragmented, and the government policies do not reach the designed position, and so on.

### **2.1 The status of Hubei Province's logistics industry development**

From 2006 to 2010, the total logistics operation of Hubei Province has increased from 1.7586 trillion Yuan to 3.5257 trillion Yuan, the annual average growth is 14.2%; among this the logistics added value has increased from 54.2 billion Yuan to 110 billion Yuan, the annual average growth is 14.6%, accounts for Hubei Province's GDP is about 7%. Among them, the volume of goods transported has increased from 529 million tons to 969 million tons, the annual average growth is 14.3%; and the cargo turnover has increased from 173 billion tons per kilometer in the year of 2006 to 336.7 billion tons per kilometer in 2010, the annual average growth is 18.1%. Up to the year of 2010, logistics costs accounts for the Province's GDP is about 17.6%. Although the level of its development is better than the national average, it is still has a big gap compared to the eastern coastal Provinces. Table 1 shows the statistics of the logistics development indicators in Hubei Province from 2006 to 2010.

Table 1 - Statistics of the Logistics Development Indicators in Hubei Province from 2006 to 2010.

Index Years	Gross social logistics(unit: one hundred million Yuan)	The added value of the logistics industry (unit: one hundred million Yuan)	Cargo traffic(unit: one hundred million Yuan)	Goods transportation turnover(unit: one hundred million tons per kilometer)	Logistics cost account for GDP (unit: %)
2006	17586	542	5.29	1730	18.2
2007	21158	660	5.85	1911	18.1
2008	24813	799	7.58	2700	18.1
2009	27309	903	8.27	2808	17.7
2010	35275	1100	9.69	3367	17.6

It is easy to see from the table that most of the logistics industries in Hubei Province in recent years have maintained a rapid speed of development and the logistics indicators are well improved. <sup>2</sup>

Based on this favorable development trend, in “the Twelfth Five-Year Plan” period, Hubei Provincial government will do its best to promote the construction of a modern logistics network system, and unite all its prefecture-level cities to construct a modern logistics circle. The logistics circle makes Wuhan city as its center, and relying on the natural advantages of the Yangtze River economic belt, to drive the development of logistics industry and build the logistics circle in all the prefecture-level cities of Hubei Province. Currently, Hubei has already built a logistics circle that makes Wuhan city as its center and other eight prefecture-level cities like Tianmen, E’zhou, Xiaogan, Huangshi, Huanggang, Xiantao, Qianjiang and Xianning as its extension. And it has built the logistics network, which can not only coordinate the economic development of Hubei Province, but also to promote the formation of the integration of Hubei Province’s logistics industry. Table 2 lists its neighboring cities’ logistics bases that have been built or under been constructing and the total investment of each logistics base.

Table 2 - Other Prefecture-Level Cities’ Logistics Bases and Their Total Investment.

Name of the logistics base	Total investment (a hundred million)	Name of the logistics base	Total investment (a hundred million)
The logistics base of Huangshi	9.2	The logistics commercial center of Taipingxi port	68
Comprehensive logistics base of E’Huang	14	Logistics distribution center of Yizhong	1.8
Feature agricultural products logistics base of Xianning	2.6	Comprehensive logistics base of Jingzhou	8.7
Comprehensive logistics base of Xiantao	7.5	Agricultural products transport logistics base in Jingmen	8
Feature agricultural products logistics base of Xiaogan	0.42	Contrary comprehensive logistics base	12
Logistics circle of Yijing	1.1	Distribution model logistics base of Shiyan	4.4
“Wujiagang-Xiaoting” logistics base of Yichang	16.3	Agriculture products logistics base of Suizhou	9.9

## 2.2 The resources condition of logistics information in Hubei Province

Hubei Province is located in the hinterland of the central plains and it has a convenient transportation. In our country, it plays an important role in transportation. The role of Hubei Province's transportation network plays the role of communicating north and south, linking the east and west. Compared with other Provinces, it has inherent geographical advantages. As we all know, not only Jingjiu and Jingguang railway but also Yangtze river and Hanjiang river across it. Depend on these advantages, Hubei Province has formed a comprehensive logistics transport network that is made up of railways, waterways, roads, pipelines, and aviations, play the role of connecting the logistics of the urban and rural areas and communicating internal and external Province logistics.

In the construction of the public information platform, it has initially formed a more perfect personal and digital communications, cable television and computer networks, the comprehensive communication capabilities significantly enhanced. As long as rapid development of unlimited electronic technology such as GPRS tracking technology, RFID, wireless data communication technology, intelligent transportation technology, wireless data communication technology, research and development of electronic data interchange technology, geographic information systems technology, and MMDS multi channel microwave transmission technology, brought the information technology development of Hubei Province in the front of the whole country, and provide an enabling technology to its modern logistics information construction.

Today, the Hubei provincial government has taken the development of logistics as a key task to develop its economy, and has come up with clear ideas and relevant policies to promote its logistics development, and they have formulated a series of logistics planning that suitable for the actual economic situation and political situation of Hubei Province. And they proposed to rectify the existing logistics companies, completely changed the small scale, scattered, and disorder management situation, to provide a favorable environment for the development of the modern logistics and the construction of logistics and public information sharing platform in Hubei Province. To strengthen on Hubei Province's modern logistics development of organization and management, full play the role of all government sectors, it has established a modern logistics joint conference system that leded by Hubei Province development reform Committee, joint financial, traffic, police, trade, business, land resources, and logistics enterprise, etc, total 15 sectors, and provide a favorable policy support for the construction of Hubei Province's modern logistics information and logistics and public information sharing platform.<sup>3</sup>

In addition, there are many universities in Hubei Province. Wuhan City alone has more than one million students, which can provides a wealth of human resources for the development of its logistics information and logistics and public information sharing platform. Now, many colleges in the Province based on the current market needs have offered various logistics courses, relevant research institutions also have active research the modern logistics, and the Province is focus on training and introducing logistics professionals, and it also vigorously carried out logistics talents education, then laying a solid foundation for Hubei Province's development of modern logistics and construction of logistics and public information sharing platform.

At present, the logistics information in Hubei Province both in economic, technical, policy and human resources are maturing and promoting the development of modern logistics in Hubei Province and the establishment of logistics public information platform.

### 3 THE COMPARISON BETWEEN HUBEI PROVINCE'S LOGISTICS AND OUR COUNTRY'S OTHER COASTAL PROVINCES LOGISTICS

China has a vast territory, the economic development of the three regions of eastern, central and western is unbalanced, the economic development of eastern coastal areas is rapid, the logistics demand is flourish and the logistics development is in a higher level; however, due to economic, regional, and national policy reasons for the restrictions in the central and western regions, the development of the logistics is in a low level, developing the logistics industry is difficult. Table 3 is the list of Forbes 2006 about the logistics development of Chinese city.

Table 3 - The List of Forbes 2006 about the Logistics Development of Chinese City.

ranks	cities	the size of market index	operating cost index	transport index	Provinces and cities
1	Shanghai	0.47109	0.86421	0.00000	Shanghai city
2	Guangzhou	0.47992	0.88395	0.02751	Guangdong Province
3	Ningbo	0.44307	0.73395	0.14721	Zhejiang Province
4	Hang Zhou	0.37607	0.75868	0.18584	Zhejiang Province
5	Yantai	0.20746	0.58211	0.21071	Shandong Province
6	Jinhua	0.34811	0.63289	0.29909	Zhejiang Province
7	Beijing	0.42335	1.00000	0.21744	Beijing city
8	Jinan	0.27044	0.66763	0.24641	Shandong Province
9	Dongguan	0.66395	0.46079	0.44747	Guangdong Province
10	Shenzhen	1.00000	0.83658	0.30348	Guangdong Province
11	Wuxi	0.30682	0.54868	0.36348	Jiangsu Province
12	Tianjin	0.23608	0.89500	0.02312	Tianjin city
13	Fuzhou	0.23213	0.55579	0.30465	Fujian Province
14	Yueyang	0.17280	0.27500	0.38045	Hunan Province
15	Dalian	0.17681	0.71421	0.07550	Liaoning Province
16	Nanjing	0.23327	0.83421	0.14106	Jiangsu Province
17	Wuhan	0.14631	0.60474	0.07316	Hubei Province

It can be seen from the table that the logistics development of Hubei Province only Wuhan in the top 17 cities and it ranks 17th. Wuhan represents the center of the economic development and the core of logistics development of Hubei Province, its development directly impacts on the economic development of the whole Province. However, the eastern coastal Provinces such as Shandong, Zhejiang, Jiangsu, Guangdong, there are more cities in the top 17, from here we can clearly see the gap between the logistics in Hubei Province and the logistics in eastern coastal Provinces. Therefore, if we want the rapid development of the overall economy of Hubei Province, we must strive to reduce the logistics gap with the coastal cities, and make efforts to accelerate the development of modern logistics information technology in Hubei Province. Logistics information sharing platform as an extension of logistics information and support, which plays a very important role, also makes the demand for logistics and public information sharing platform will be more urgent.

#### 4 CONCLUSION

Although, Hubei Province has a natural advantage on the development of modern logistics, over the past few years, these advantages are not reflected. The reason is, we find that, in Hubei Province, there are independent operations among the logistics bases which have been built or under been building, and there are almost no information exchange and communication between them. This situation not only caused some shortcomings of the logistics information resources, such as single, fragmented, slow update, but also not conducive to the unified management of the government. This makes the Hubei Province is urgent need to build a logistics and public information sharing platform to integrate the fragmented logistics information, and process, handle, integrate, filter, share the mutually inconsistent information and data from different regions, different departments, different channels, then to provide information to support logistics planning and logistics decision-making, for the Province of local governments, businesses, modern logistics information systems support for the Province of small and medium enterprises. The following parts will analyze the necessity of the construction of the logistics public information sharing platform respectively from three aspects; they are economic necessity, environment necessity and policy necessity.

Economic necessity: in the environment of global economic integration, goods are flowing freely with a high speed in the global scale, which promote the cross-border; inter-provincial and cross-sector logistics industries have become more and more sophisticated and effectively promote the prosperity and development of the social economy. In addition, the large-scale combination of electronic commerce field and logistics field is promoting the information technology becoming the core of modern logistics. While as the logistics information platform is the extension and support of information technology, which makes it necessary to construct the information platform.<sup>5</sup> At the same time, Hubei Province as the central Province, both the rise of central China and the western development strategy are promoting the fast growth of its economy, this rapid economic growth has attracted many foreign-funded enterprises invested in Hubei Province. As of November 2011, there were 91 enterprise of the world's top 500 have been settled in Hubei and this new economic situation promote Hubei Province must constantly improve the development of its modern logistics industry. Although it has more than 3000 logistics enterprises, large-scale logistics enterprise only account for a quarter of the total number and the number of 3A-class logistics enterprise only 18. Therefore, in order to meet the current needs of the economic development, Hubei Province must establish a safe, reliable and efficient logistics system. To change the current shortcomings in the management of the logistics industry such as small scale operation, low morale of logistics workers, single service function and scattered logistics markets. All of these have forced it to establish a logistics and public information sharing platform to meet the current economic development trend of the logistics industry. And through this platform to integrate the existing logistics resources in the Province, to share the existing resources and give full play to the whole advantage of logistics industry in Hubei Province. Table 4 shows Hubei Province's logistics industry added value, total GDP and the proportion of logistics industry added value in GDP from 2006-2010.



Table 4 - Logistics Industry Added Value, Total GDP and the Proportion of Them from 2006-2010.

Years	logistics industry added value (one hundred million Yuan)	GDP (one hundred million Yuan)	the proportion of logistics industry added value in GDP
2006	542	6590.19	8.22%
2007	660	7617.47	8.66%
2008	799	9333.40	8.56%
2009	903	11328.89	7.97%
2010	1100	12961.10	8.49%

From the table we can see that from 2006 to 2010, the GDP of Hubei is keep rising, but the proportion of logistics industry added value in GDP change little. This situation limited the economic development, because the logistics industry as a pillar industry of a region's economic growth, its ability to rapid growth directly impact on the region's economic development. According to the present economic growth momentum in Hubei Province, we must change the underdevelopment status of the logistics industry, to increase the proportion of logistics industry added value in the Province's GDP and help it to establish a high level logistics and public information sharing platform to solve the series of problems.

Environmental necessity: for a long time, under the influence of the traditional idea, we pay more attention to the production and development but less emphasis on circulation and environmental protection, which put pressure on our environment and resources, especially in the high-speed economic growth situation. To develop the modern logistics and construct the logistics and public information sharing platform, use modern technology and management methods to integrate various types of logistics information resources, processing, treatment, and then sharing, this can significantly reduce the cost, reduce the rate of empty card rove back and circuitous transport, and reduce the road congestion, emissions and vehicle's fuel consumption. To achieve the transformation of economic growth and improve the management quality and efficiency, at the same time, promoting the development of low-carbon economic social. In addition, the logistics and public information sharing platform can greatly improve the efficiency of the logistics operations. Though the level of information to speed up the documents passing of goods, improve enterprise management level and management efficiency, and to improve cargo security, reduce errors, improve the tracking efficiency of goods and the transaction rates of goods vehicles. At the same time, thanks to the high correlation of modern logistics, which makes all industries that closely related to it such as machinery manufacturing, circulation, postal communication, information services and infrastructure construction have a new development space. Thus, in the new century, as people pay more attention to the conservation of resources and the protection of environment, it is badly in need of establishing a logistics and public information sharing platform to promote the upgrading of the traditional logistics industry and the adjustment of Hubei Province's economic structure.<sup>3</sup>

Government necessity: to government departments, logistics and public information sharing platform are also very useful. Late start due to the development of modern logistics in Hubei Province, a lot of logistics enterprises were transformed from traditional transportation and storage enterprises ,which makes it very difficult for the government to unified manage

and planning them. Through the logistics and public information sharing platform, government departments can directly to manage the logistics companies, can fully grasp the operation status of the logistics market and found its inadequacies, and supervise to improve and control the logistics status. And through this platform also can overall control the logistics market, such as the implementation of online tax returns and management and to supervise some online business. Therefore, the government is in special needs of a logistics and public information sharing platform that can provide multi-service for it, not only to provide services for logistics companies, but also help the government to plan modern logistics development strategy and make modern logistics development policy, and it has an important significance to perfect and develop the modern logistics development of Hubei Province. <sup>6</sup>

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