

# Analysis of Shaanxi Free Trade Area on Xi'an Aviation Logistics

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**Abstract:** Shaanxi free trade zone is the third batch of approved Free Trade Zone in China, and also an important area covered by the belt and road strategy. Xi'an, as a hub connecting domestic and foreign countries in Northwest China, will inevitably undergo significant changes in the development of air logistics in the context of its free trade zone. This paper first analyzes the current situation the opportunities and challenges, the existing problems of Xi'an air logistics, and finally gives some development suggestions.

Shaanxi free trade zone is the third batch of approved Free Trade Zone in China, and as a strategic Bridgehead City of the belt and road initiative, these two huge engines will have a huge impact on Xi'an logistics industry. Although the development trend of Xi'an air logistics is good in recent years, the construction of Shaanxi free trade zone and the strategic layout of "the belt and road" have higher requirements for Xi'an air logistics. Xi'an should make full use of its unique location advantages, transportation advantages and policy advantages to further improve the quality of air logistics, so as to promote the development of Shaanxi free trade zone.

## 1. Current situation of Xi'an Aviation Logistics

### 1.1 Goods flow of import and export increasing annually

Table 1 main transportation indexes of Xianyang international airport in 2015-2018

year	Passenger capacity (10000 people)	growth rate	Freight volume (10000 tons)	growth rate
2015	3280	10.1%	21	14.3%
2016	3699	12.7%	23	9.5%
2017	4186	13.1%	26	13%
2018	4465	6.7%	31	19%

According to the data of Shaanxi statistical yearbook, it can be seen that the freight volume of Shaanxi in 2015-2018 is found by comparing the passenger volume and freight volume, which shows that the current cargo throughput of Xi'an air logistics is small. The data of Western Airport Group air Logistics Company shows that, by 2018, the passenger capacity of Xianyang Airport was 44.65 million people and the freight volume was 310,000 tons, an increase of 6.7% and 19% year on year. In 2018, Xianyang International airport ranked seventh in the national passenger airport and eighth in the freight transport. Its growth rate ranks the third among the top ten airports in China. From the statistical data, Xi'an air logistics is in a steady rising state

### 1.2 The scale of air logistics layout is gradually expanding

At present, under the two-way promotion of the "belt and road" policy and the construction of Shaanxi Free Trade Zone, Xi'an aviation logistics scale is developing vigorously. At present, the express delivery industry in the airport new city has also begun to achieve results. Many multinational logistics enterprises, such as FedEx, DHL, Nippon express, Kintetsu and cinke, have settled in the freight area of Xi'an airport. Several domestic express transfer centers, such as Shunfeng express, Yuantong and Yunda, have also been put into operation. More than ten

enterprises, such as general aviation logistics park, Shentong express Northwest transfer field and fengshu logistics, have also started to enter the park.

In addition, in the new airport city of the free trade zone, the e-commerce parks and infrastructures of various enterprises are basically improved. With a large area of e-commerce storage base with complete functions in airport new town, it has attracted the favor of cross-border e-commerce enterprises such as Alibaba, Shentong and China Post.

### **1.3 Service object changes gradually**

According to the data of air logistics company of Western Airport Group, at present, there are more than ten routes of all cargo flights in Xixian International airport, which are operated from Xi'an to domestic and foreign routes through Yangzi River shipping company, Shunfeng shipping company, and Aokai shipping company, about 40 times of lifting per week. Of course, the source data shows that about half of the goods come from e-commerce express goods. With the development of cross-border e-commerce, the freight volume increases at a rate of 15 percentage points, and the source and structure of goods are also diversified. In addition to fresh and fresh products, the goods transported by international lines also have some high-tech products, such as semiconductor electronics, Foxconn electronic components and other electronic products; daily necessities and handicrafts; medical supplies, auto parts and other valuable import and export goods.

### **1.4 Lower service level**

Logistics service level refers to a kind of psychological estimation of customers' heart and a sense of expectation for this service, which is formed by customers' key services and key nodes of this kind of services. At present, the service level of Xi'an air logistics is still low, and the satisfaction of some passenger goods transportation is not high. The collision of passenger boxes or bulk goods on the cargo turntable results in the damage of passenger goods and the decrease of customer satisfaction, which is a manifestation of low service level. This is not only in the aspect of aviation logistics, but also in all aspects of logistics.

## **2. Opportunities for Xi'an air logistics brought by Shaanxi Free Trade Zone**

### **2.1 Brings considerable orders to logistics industry**

As a highly open special economic zone, the frontier of the bonded business field of the comprehensive bonded zone of the international port area integrates the functions of all the special customs supervision area policies, such as bonded zone and bonded logistics, bonded warehouse, bonded processing, commodity exhibition, inspection and testing, port logistics, and other functions. At present, the customs with the highest level, preferential policies, and complete functions are open Special regulatory areas.

Stable economic development trend can play an important role in urban construction. In recent years, the economic situation of Shaanxi Province generally presents a stable upward trend, which is bound to bring a greater degree of logistics demand, while the free trade zone integrates domestic and foreign goods, while its bonded advantage can greatly improve the volume of goods, bringing huge resource increase and commercial orders for aviation logistics

### **2.2 Driving the development of airport economy**

Relying on the huge aviation hub to develop the airport economy is another opportunity brought by the construction of Shaanxi free trade zone. Xi'an Xianyang International airport is an important gateway for the development of export-oriented economy in our province, and also an important window for countries to enter Xi'an and even the whole country.

In the construction of free trade zone, the function of airport industry is becoming more and more perfect. Among them, the aircraft maintenance business is the most outstanding with an investment of 16.3 billion RMB in 2012, involving such projects as airport manufacturing, aviation logistics, aviation services and infrastructure. The parts of the aircraft are maintained in the area and

free from customs duties, which simplifies the process and saves maintenance time and cost. With the development of various projects in the area, airport new town is close to the airport industry, keeping up with the regional advantages, and actively and effectively promoting the development and construction of various parts of the project.

### **2.3 Exhibition industry increases air logistics efficiency and cargo volume**

The purpose of exhibition logistics is to meet the special needs of exhibitor's exhibits. From exhibitor's exhibits and other special items, they can be timely and accurately transferred to the destination country or a certain regional location, and finally complete the process of transporting the exhibits back to the original location, including the storage, packaging, transportation, import and export customs declaration, and Customs clearance, and international transportation, customs clearance, exhibition cargo loading and unloading, processing and information exchange required in this process.

Xi-xian bonded logistics center is located in the central area of international aviation logistics of airport new city, which is adjacent to Xi'an Xianyang international airport. Its functional areas include storage distribution area, e-commerce area, bonded exhibition area and international trade and financial service area, including nine major functions of e-commerce, bonded goods flow, bonded storage, import and export trade. Its bonded services can provide bonded exhibition, international commodity trading and offline experience services for e-commerce products. In terms of policies, these bonded areas will greatly increase the efficiency of exhibition goods entering our country, optimize procedures, and promote the increase of exhibition goods, which has a huge role in promoting the development of China's exhibition industry, while international commodities also bring development to the aviation logistics industry. It is convenient for the transportation of international goods and the customs clearance of import and export.

## **3. Challenges of Shaanxi free trade zone construction to Xi'an air logistics**

### **3.1 Imperfect government policies**

Free trade zone is in the forefront of the times, and it is an experimental zone with the nature of innovation pioneer. Because the establishment background and location advantages of free trade zones in different regions are different, there is no mature sample to follow, which needs continuous exploration by local governments. As a new business, there are still different understandings among the governments and departments, which lead to the inadequate implementation of various policies and hinders the development of air logistics in Shaanxi free trade zone. In addition, the air logistics work involves many industries and departments, such as transportation, post and telecommunications, customs, bonded materials, foreign trade and so on. The operation and management of the free trade zone But also related to the customs and Shaanxi free trade zone at all levels of different functions of the management departments, because of the lag of management system reform, the division of work between departments is not clear, the qualification of each functional department is the government, the lack of a unified coordination mechanism.

### **3.2 Inadequate Informatization**

The importance of information is increasingly prominent in various industries, especially in the information construction of free trade zone. The informatization construction of free trade zone should take "planning, functional isomorphism and industrial interaction" as the development goal, and all functional areas should be included in the same information sharing platform. However, as the development period of airport new town is still rising, the establishment of new department and urban framework is only a preliminary stage, the information transmission means between departments are not mature enough, and various information interactions cannot be smooth and smooth.

### **3.3 Restriction of aviation logistics professionals**

The absorption, training and management of specialized personnel play a very important role in

the development of airport new city. At present, the training of logistics talents in Colleges and universities is still dominated by traditional logistics talents, and there is a large gap of new and composite talents such as airport logistics and free trade zone logistics. At present, Xi'an airport construction needs not only a solid basic theory of international logistics and international trade, but also a plaque of practical senior management talents with certain skills and management experience, so the lack of talents is empty The urgent problems facing the port.

### **3.4 More intense logistics sources of goods**

As well as know, air transportation has the advantages of fast and safe, but compared with its advantages, its freight market share is smaller due to its high freight rate, small freight volume and other limitations. In addition, the increasingly perfect and efficient China Europe liner has greatly increased its timeliness compared with sea transportation, and its logistics cost is more competitive than air transportation, which leads to the organization of air logistics sources Added difficulty.

## **4. Strategy of Xi'an air logistics under the background of Free Trade Zone Construction**

### **4.1 Building an international air logistics with multimodal transport as the core**

International multimodal transport system refers to the characteristics of safety, punctuality, rapidity and high efficiency in international transport, which is the most suitable integrated logistics transport system in international logistics organizations. The construction of free trade zone should have the basic and ability to organize the construction of international logistics multimodal transport system. The construction of Shaanxi free trade zone should give full play to the characteristics of large-span and high-speed air logistics, take air logistics as the center, effectively connect railway transportation, road transportation and other multiple transportation modes, and adopt one contract, single rate in the whole process, one claim settlement and other methods To speed up the international flow of goods.

### **4.2 Establishment of air logistics information system in FTZ**

With the continuous promotion of international aviation logistics information, the international logistics information trading system is also in full swing, so as to realize the online interaction of information at any time to meet the needs of international aviation logistics.

Shaanxi free trade zone free trade zone implements the economic and political concept of "not in its possession, but in its flow". Under the guidance of unified planning and design, and gradual implementation, it implements fixed-point and targeted investment attraction and introduction, complies with the requirements of industrial layout and industrial related functions, has plans, focuses, ideas and steps, and is in line with the customs, industry and commerce, tax, insurance, etc The customs department cooperates to study the new mode of Customs speed and supervision management in the logistics park, to promote the construction of the current international modern aviation logistics network to provide basis and reference; to attract the aviation logistics group and build the aviation logistics network.

### **4.3 Strengthen the training and recruitment of logistics talents**

Aviation logistics talents need to be familiar with the service organization composition of aviation logistics, relevant business of transportation organization, marketing, logistics network, Internet of things, modern air freight and other related professional knowledge of electronic computer technology, e-commerce and other aspects, as well as the business operation process of relevant departments such as customs entry and exit, industry and Commerce and tax department Talents with professional quality in order and other aspects. Therefore, the enterprises in the free trade zone should, on the one hand, increase cooperation with Logistics Majors in Colleges and universities to speed up the cultivation of order type aviation talents; on the other hand, they should recruit qualified talents from the whole society for aviation logistics, absorb experienced international trade and international logistics talents by providing competitive salary, so as to coordinate with the rapid development of the free trade zone.

#### **4.4 Increase the support of air logistics enterprises**

The government can encourage the logistics companies in the free trade zone to carry out air logistics business by implementing market permission and trade liberalization, moderately liberalizing the right of operation, and further relax the examination and approval of air logistics enterprises, which will promote the decentralization of air logistics power in the examination and approval of service trade, establish a friendly air logistics environment, and promote the international leasing, air logistics and international legal services in the free trade zone Business, as well as international commodity display and other air logistics business exchanges. Allow the free exchange of currency and air logistics operation environment within the free trade zone area, so as to enhance the production and circulation of Shaanxi Free Trade Zone, as well as the combination of import and export trade and entrepot trade, so as to create an environment for the development of air logistics of "one line opening, two line control, free trade zone, and promoting prosperity".

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