



International Forum on Policy and Management in Shipping, Ports and Airports (IFSPA'07)

Registration Form

www.lgt.polyu.edu.hk/ifspa2007/

The *Department of Logistics, the Hong Kong Polytechnic University*, is organising the “**International Forum on Policy & Management in Shipping, Ports and Airports**” in our campus from 10 to 12 May 2007. The Forum is the third in its Public Policy Research (Logistics Stream) series, focusing on global and regional seaports and airports policy and competition. The Forum serves to provide a platform to solicit professional opinions from international academics and regional industry practitioners / stakeholders on sea and air shipping policies.

This event will also be one of the highlights in our University’s, as well as the Department’s, **70th Anniversary Celebrations**. The Forum targets at both practitioners and academics. We expect a wide range of participants from Hong Kong, the Chinese mainland, Taiwan and other regions.

For details, please see: www.lgt.polyu.edu.hk/ifspa2007/

Who should attend

1. Port / Airport Managers
2. Policy makers
3. Logistics participants, and
4. PolyU Alumni

Enquires

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Kong

Registration Slip

Name: (Mr / Mrs / Ms / Miss / Dr / Prof) _____

Company / Affiliation _____

Address _____

Tel _____ Fax _____ Email _____

For the airport visit (10 May 2007), please provide your passport number or HKID number:

(Passport number / HKID number) _____

Registration fee: HK\$250.- (one day, no lunch), HK\$300.- (one day, incl. lunch), HK\$400.- (full, no lunch), HK\$500.- (full registration, incl. 2 luncheon). Please make a cheque payable to “The Hong Kong Polytechnic University”.

Full

Visit

One Day: 11 May 12 May

Lunch

Cheque number: _____

International Forum on Policy and Management in Shipping, Ports and Airports

May 10 – 12, 2007

The Hong Kong Polytechnic University



International Forum on Policy and Management in Shipping, Ports and Airports (全球与区域港口空港政策及竞争国际论坛) (IFSPA'07)

Day One : Thursday 10th May, 2007

Registration – Campus

14:00-18:00 Registration (M638, Li Ka Shing Tower)

14:00-18:00 Technical visit – Hong Kong Airport

Organizing Committee

Mr Edmond Chow (**Secretary**)
Dr Xiaowen Fu
Mr Dik-pong Hung
Dr Mike Kee-Hung Lai
Ms Natalie Lam
Dr Kevin X. Li
Prof. John J. Liu (**Chairman**)
Dr Meifeng Luo
Dr Jia Yan
Dr T. L. Yip

Session Chairs

Session 1 & 2: Dr Kevin X. Li
Session 3 & 4: Dr Ling Zhu
Session 5 & 6: Dr Jia Yan
Session 7 & 8: Dr Xiaowen Fu

Sponsors:  Hong Kong Airport Authority



The Chartered Institute of Logistics and Transport (Hong Kong)

Day Two : Friday 11th May, 2007

Maritime and Sea Shipping Stream (Chiang Chen Studio Theatre)

09:00 Registration

09:30-10:00 Opening Ceremony

10:00-11:00 Session One

Welcoming Speech

Ms Janice Tse, *JP* Deputy Secretary for Economic Development and Labour, the Government of the HKSAR, Hong Kong

International Trade and Port Choice

Prof. Wesley Wilson Engineer, University of Oregon, Oregon, USA

11:00-11:30 Tea Break

11:30-12:30 Session Two

Optimal Port Investment Strategy among Competitive Ports

Prof. Young Tae Chang Professor, Asia Pacific School of Logistics, Incheon University, Korea

EU Transport Policy and Seaport Development

Prof. Willy Winkelman Professor, University of Antwerp, Belgium

12:30-14:30 Lunch Break

14:30-15:45 Session Three

Maritime Policy

Prof. Heather Leggate Director, International Transport Management, London Metropolitan University, United Kingdom

Enforcement of Law by Port State Control (PSC)

Dr Kevin X. Li Associate Professor, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

A Framework for Hong Kong to evolve as an International Shipping Hub

Dr Venus Y. H. Lun Lecturer, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

15:45-16:15 Tea Break

16:15-17:30 Session Four

Measurability of Dynamic Non-Smooth Frontiers for Container Ports

Prof. John J. Liu Chair Professor of Maritime Studies, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

Port Efficiency under Dynamic Frontiers

Dr Jia Yan Assistant Professor, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

The Role of Geometrics in establishing the Maritime Information System

Mr Steve Y. W. Lam Lecturer, Department of Land Surveying and Geo-Informatics, Hong Kong Polytechnic University, Hong Kong

17:30-17:45 Daily Closing

Day Three : Saturday 12th May, 2007

Airport and Air Shipping Stream (Lecture Theatre TU201)

09:00 Registration

09:30-10:00 Opening Ceremony

10:00-11:00 Session Five

中国大力发展航空运输及物流业的政策走向 (The Policy Direction of China in Developing the Air Transport and Logistics Industry)

Prof. Weimin Liu Professor of Law, Civil Aviation Management Institute of China and Consultative Committee Member of the Air Economic Commission under the Chinese Society of Aeronautics and Astronautics, China

(conducted in Putonghua)

11:00-11:30 Tea Break

11:30-12:30 Session Six

Global Trends in the Future Direction of the International Air Transport Regulation and Implications on Asian Air Transport Network

Prof. Tae H. Oum Chair Professor, The University of British Columbia, Vancouver, Canada; and President, The Air Transport Research Society (ATRS)

12:30-14:30 Lunch Break

14:30-15:30 Session Seven

Can CKS Airport Become a Regional Air Logistics Center?

Prof. Cheng-Min Feng Professor, Institute of Traffic and Transportation, National Chiao Tung University, Taiwan, China

Spatial Economics and Planning Transportation Infrastructure

Prof. Wesley Wilson Engineer, University of Oregon, Oregon, USA

15:30-16:00 Tea Break

16:00-17:15 Session Eight

Customs Chain Management and Technologies: Value Analysis and Policy Implications for Global Supply Chains of Processing Trade

Dr George Q. Huang Associate Professor, Department of Industrial and Manufacturing Systems Engineering, Hong Kong University, Hong Kong

Competition between Low Cost carriers and Full Service Airlines

Dr Xiaowen Fu Assistant Professor, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

An Analysis of Textual Dynamics in Cargo Exporting

Dr Wing-sat Chan Senior Lecturer, Department of Chinese and Bilingual Studies, Hong Kong Polytechnic University, Hong Kong

17:15-17:30 Closing Ceremony



International Forum on Policy and Management in Shipping, Ports and Airports (IFSPA'07) Abstracts

Day One : Thursday 10th May, 2007

Registration (M638, Li Ka Shing Tower)

Day Two : Friday 11th May, 2007

Maritime and Sea Shipping Stream (Chiang Chen Studio Theatre)

OPENING CEREMONY (09:30-10:00)

SESSION ONE (10:00-11:00)

Welcoming Speech

Ms Janice Tse, *JP* Deputy Secretary for Economic Development and Labour, the Government of the HKSAR, Hong Kong

International Trade and Port Choice

Prof. Wesley Wilson* Engineer, University of Oregon, Oregon, USA, and Bruce A. Blonigen University of Oregon and National Bureau of Economic Research

Rapid increases in international trade have led to congestion in many of the worlds' ports and have raised concern over the ability of transportation networks to handle the increased volumes. Increased volumes and the resulting congestion may impact trade flow patterns by affecting choices of importers and exporters. Trade flow patterns are most certainly determined by a wide variety of factors that include the internal (intra-country) and external (inter-country) transport costs, as well as the costs of interchange (port costs). Yet, there is little evidence that documents each of these factors in the determination of trade flow patterns. As any of these factors become relatively more or less congested, there may be significant impacts not only on the network paths chosen, but also on the

volume of activity. This paper develops a model of port choice and trading volumes and then estimates the impact of ocean transport rates, efficiency of U.S. ocean ports, and internal transport systems on port choice and trade volume over a sample trade flows between over 150 foreign countries and the top U.S. ports for the period from 1991 through 2003. our estimates provide strong evidence for the importance of economic factors in port choices. Distance and transport prices are very significant factors with quite elastic responses by shipments well above one in absolute magnitude. Unlike previous studies, this paper's analysis finds a significant role for an individual's port efficiency in determining its share of activity, with estimates ranging from 0.8 to 2.0 depending on the empirical specification used.

SESSION TWO (11:30-12:30)

Optimal Port Investment Strategy among Competitive Ports

Prof. Young Tae Chang Professor, Asia Pacific School of Logistics, Incheon University, Korea

EU Trans-port Policy and Seaport Development

Prof. Willy Winkelman Professor, University of Antwerp, Belgium

Regarding the current European port policy certain pertinent questions and answers can be derived in view of achieving more effectiveness and sustainability in the so-called common port policy.

Port efficiency indeed increases European competitiveness and favours growth and jobs, whence it merits full attention, besides the more since the enlarging the EU, because this enlargement is upgrading the community to one of the most intensive maritime areas in the world.

Considering the many structural changes and transformation in the maritime industry of today it becomes straightforward that securing port capacity

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is one of the most serious challenges. Getting improved hinterland connections is an even bigger issue and surely an ever lasting task. In addition the growing need to find a balance between economic and social and environmental values in relation to port development is urgently to be found. A new core competency, called “responsiveness” could help to recognize, analyze and respond more effectively to continuously changing market conditions and risks.

A port management strategy solely based on the provision of terminal infrastructures does not provide all necessary conditions for capturing important ‘footloose’ clients on a sustainable basis. In other words, the success of a seaport no longer exclusively depends on its internal weaknesses and strengths. It is being more and more determined by the ability of the port community to fully exploit synergies with other transport nodes and other players within the logistics networks of which they are part.

One and another is crucial given that most hinterland transport networks are not yet well interconnected, let alone that the interoperability is in a ready state.

Together with the ominous danger of traffic infarcts on highways is this the main reason why we suggest to go for developing a new mode of transportation, preferably underground, because there “space” is still unlimited. A keen distinction between tunnel transport and tubular transport is then absolutely necessary to be understood. The question whether underground tubular transport is feasible and payable is considered in detail, and the outcome of analyses is rather positive both in micro- and macro economic terms. UTP or UTT therefore can be considered as a valuable additional mode of transport capable to solve plenty of mobility problems over ground. The final challenge consist of inventing in due time the vehicles to be brought into the Underground Logistic Systems. This is no longer a matter of science fiction since several pilot projects are under study worldwide. By means of a recent case, viz. UCM and the Deurganckdock at the Port of Antwerp, the feasibility of this approach is demonstrated.

IN CONCLUSION all these projects are not just driving an existing transport mode underground: it concerns the establishment of a fully new mode of transport inspired by space technology, which can be applied in various situations and to the benefit of different actors. Some attention is also paid at the issue of levelling the desired level playing field in

the framework of the emerging common port policy of the EU, which is quite relevant with respect to the introduction of new ways of transportation.

Four general conclusions are finally brought forward:

1. Being prime logistics zones ports rely on spatial and infrastructural quality and reliability of multi-modal hinterland connections
2. Port authorities therefore should be well aware of the need to develop efficient inter-modal transport networks from and toward the hinterland
3. Introduction of new innovative concepts – such as ULS – are becoming necessary to foster further the development of seaport-inland port networking. The Deurganck dock at the port of Antwerp can be considered as an interesting case.
4. Developing and bringing into force a sound common port policy within large competitive zones guarantees sustainable port development.

SESSION THREE (14:30-15:45)

Maritime Policy

Prof. Heather Leggate Director, International Transport Management, London Metropolitan University, United Kingdom

Enforcement of Law by Port State Control (PSC)

Dr Kevin X. Li* Associate Professor, and Miss Haisha Zheng PhD Candidate, Department of Logistics, Hong Kong Polytechnic University

Since the International Maritime Organization (IMO) introduced the Port State Control (PSC) system in 1982, it has now played a vital role worldwide in enforcement of safety law at sea. This paper endeavours address the effectiveness of PSC. We collected and examined data on ship total loss (1973-2003), and on PSC records (1994-2005). The study shows that the enforcement of the PSC is effective to improve the safety level of maritime transportation. We also examine the methods adopted by different PSC Programmes and comparison is made on their efficiency in identifying understandard vessels. Suggestions are made on improvement of PSC system.

A framework for Hong Kong to evolve as an international shipping hub

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Dr Venus Y. H. Lun* Lecturer, Dr Kee-Hung Lai Assistant Professor, and Prof. T. C. Edwin Cheng Chair Professor of Management, Department of Logistics, The Hong Kong Polytechnic University

The ability to provide intermodal services is influenced by different forces in the operating environment of the shipping industry. To strengthen the role of Hong Kong as an international shipping hub, it is necessary for policy makers to understand the essential elements towards achieving this goal. Among these, intermodal transport operations have the advantages of offering a comprehensive container shipping service through cooperation among actors, such as terminal operators, logistics service providers, rail operators, truckers, and feeder operators, to form an integrated transport system by linking up resources from various parties. In this paper, we identify the key elements of an intermodal transport system desired by multiple users, which have different expectations and requirements. A framework and a set of testable propositions are also presented to uncover the factors affecting the development of Hong Kong as an international shipping hub that satisfies the needs of different users. The discussions will provide useful input for policy makers to guide their effort in developing the intermodal link, which will help strengthen Hong Kong's role as an international shipping hub.

SESSION FOUR (16:15-17:30)

Measurability of Dynamic Non-Smooth Frontiers for Container Ports

Prof. John J. Liu* Chair Professor, Dr Jia Yan Assistant Professor, and Dr T. L. Yip Assistant Professor Department of Logistics, Hong Kong Polytechnic University

Stochastic frontier analysis (SFA) is the principle method for econometrical assessment of single-output production efficiency under stationary technology characterized by a production function with a given set of inputs. While port production frontiers are dynamic in terms of control of inputs and other parameters. In this paper, we obtain some characteristics of dynamic frontiers for container ports, so as to facilitate econometrical assessment of dynamic multiple-output production efficiency.

Port Efficiency under Dynamic Frontiers

Dr Jia Yan* Assistant Professor, and Dr Xinyu Sun Postdoctoral Fellow, Department of Logistics, Hong Kong Polytechnic University

The Role of Geometrics in establishing the Maritime Information System

Mr Steve Y. W. Lam Lecturer, Department of Land Surveying and Geo-Informatics, Hong Kong Polytechnic University

This paper briefly describes the principal components of a web-based marine information system (MIS) and the important role of geomatics engineers in surveying the data, including the data of the electronic nautical chart (ENC) and raster nautical chart (RNC) for the MIS, by applying high resolution Light Detection and Ranging (LIDAR), satellite platform sensors and geographic information system (GIS). These survey data are being used for sustainable development of maritime trade, safe navigation and the prevention of collisions, and the protection of property and marine environment.

DAILY CLOSING (17:30-17:45)

Day Three : Saturday 12th May, 2007

Airport and Air Shipping Stream (Lecture Theatre TU201)

OPENING CEREMONY (09:30-10:00)

SESSION FIVE (10:00-11:00)

中国大力发展航空运输及物流业的政策走向 (The Policy Direction of China in Developing the Air Transport and Logistics Industry)

Prof. Weimin Liu Professor of Law, Civil Aviation Management Institute of China and Consultative Committee Member of the Air Economic Commission under the Chinese Society of Aeronautics and Astronautics, China

The State Council has recently stated its views on accelerating the development of service industry. This presentation will review the significant importance of this policy on the rapid development



of the transport and logistics industry as well as its implication on the development plan and outlook of air transport in China. (*Conducted in Putonghua*)

SESSION SIX (11:30-12:30)

Global Trends in the Future Direction of the International Air Transport Regulation and Implications on Asian Air Transport Network

Prof. Tae H. Oum Chair Professor, The University of British Columbia, Vancouver, Canada; and President, The Air Transport Research Society (ATRS)

SESSION SEVEN (14:30-15:30)

Can CKS Airport Become a Regional Air Logistics Center?

Prof. Cheng-Min Feng Professor, Institute of Traffic and Transportation, National Chiao Tung University, Taiwan, China

This presentation will first introduce the constraints and opportunities, and the cargo volumes for CKS airport and compare the ranking of airport in Asia-Pacific Area. Then, this presentation will discuss the policy issues and strategies to make CKS airport as a regional air logistics center. In addition to the airport policy, the airport city plan and logistics park project will also be introduced

Spatial Economics and Planning Transportation Infrastructure

Prof. Wesley Wilson Engineer, University of Oregon, Oregon, USA

The Navigation and Economic Technologies Program (NETS) of the United States Army Corps of Engineers (USACE) represents a body of research conducted by a group of USACE economists, planners, and engineers along with academic economists, consultants and others. The research is designed to provide a body of knowledge related to the economic modeling of waterways and to develop tools and techniques related to the evaluation of the benefits of investments in the waterways as well as other policies designed to improve the efficiency of the waterway. This presentation presents primary issues related to the measurement of benefits identified by the United States National Academy of Sciences and others, and the research conducted under NETS that addresses these issues. The research focuses primarily on spatially based network models of market equilibrium, empirical

models of shipper choices, and the implementation into simulation models.

SESSION EIGHT (16:00-17:15)

Customs Chain Management and Technologies: Value Analysis and Policy Implications for Global Supply Chains of Processing Trade

Dr George Q. Huang Associate Professor, Department of Industrial and Manufacturing Systems Engineering, University of Hong Kong

Processing Trade Enterprises (PTEs) are manufacturers that import raw materials and components to produce and export finished products to overseas markets in order to enjoy tax exemption and take advantage of low-cost but highly skilled local labour force. They have been playing key roles in Chinese economy. In Guangdong Province along, there are over 100,000 PTEs and half of this are Hong Kong invested manufacturing factories. Business operations of PTEs are under close control and supervision of government (especially customs) authorities in order to prevent tax evasion and smuggling and enforce international logistics security. However, it has been recognized that tight customs control is effective but efficiency must be seriously improved in order to maintain market responsiveness and competitiveness of individual PTEs. Online customs supervision and cross-border logistics customs networks are two most important initiatives taken by Chinese Customs administration. They are having profound implications for Hong Kong PTEs located in the GPRD (Greater Pearl River Delta) region.

This presentation will propose a new concept of Customs Chains as sub-chains in the global supply chain of PTEs. Two forms of customs chains are identified and they are customs-to-customs and enterprise-to-customs. Reasons will be given to use China Customs online supervision network and cross-border logistics network for global supply chain enterprises to share production information. This will transform non-value-adding customs control to value-adding customs services through three Customs Chains strategies: (1) efficient customs operations; (2) customs information visibility; and (3) global supply chain information sharing. Benefits will be quantified and policy implications will be observed for customs authorities, processing trade enterprises, logistics service providers and electronic business solution providers.



Competition between Low Cost carriers and Full Service Airlines

Dr Xiaowen Fu Assistant Professor, Department of Logistics, Hong Kong Polytechnic University, Hong Kong

This study empirically examines airline competition in the presence of a major LCC, especially in the period when the initial effects of LCC entry are stabilized. Using a panel data from the United States domestic markets, an Almost Ideal Demand System (AIDS) is estimated for carriers competing in the same city pair markets. This enables one to calculate carrier-specific demand equations and identify substitution possibilities between Full Service Airlines (FSAs), as well as substitution between LCCs and FSAs. Competition analysis is carried out by empirically estimating reduced form price equations for LCC and FSA. The study found strong evidence of product differentiation between the services provided by FSAs and LCCs. The average prices being charged by FSAs and LCCs are more sensitive to the competition from airlines of the same type. Airlines with higher market shares (regardless of whether they are FSA or LCC) tend to charge higher prices, indicating effect of market power on pricing. Contrary to most previous research results, this study found that the competition between FSAs is important even in the markets where a major LCC is present.

An Analysis of Textual Dynamics in Cargo Exporting

Dr Wing-sat Chan^{(1)*} Senior Lecturer, Dr Sik-Kwan Tai⁽²⁾ Lecturer, Dr T. L. Yip⁽²⁾ Assistant Professor, Mr Siu-Kei Ken Cheng⁽¹⁾ Language Instructor. (1) Department of Chinese and Bilingual Studies and (2) Department of Logistics, Hong Kong Polytechnic University, Hong Kong

To a case of cargo shipping, this paper applies the notion of “textual dynamics” to observe the features of written documents such as formal letters, emails, Bill of Lading etc. that operate in the process of exporting goods through cargo liner. The notion of textual dynamics comes from the assumption that writing is social action, and that by studying the texts embedded in professional contexts, we understand how the professions constitute themselves and carry out their work through texts. The analysis covers three levels of observation: the information structure of individual text, the transformation of message in the process of delivery, and the way that texts come into actions. Findings show that (1) a genre may not be mono-functional, but is multi-functional presented in different styles or registers; (2) a message is a dynamic entity that takes different shapes in different situations; and (3) that what determines a text to take action is its immediacy in the flow of operation. Furthermore, the observation implies several pedagogic suggestions such as the ability to adjust the style of expression in accordance with the different situations, the repertoire of using various genres to say the same message, and the awareness of immediacy of events in real actions.

CLOSING CEREMONY (17:15-17:30)

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