

Exploratory Study on Difficulties and Corresponding Countermeasures of Qinghai Pastoral Area Third Party Logistics Development

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Abstract—In today's highly competitive environment, third party logistics (3PL) in pastoral areas of qinghai province important status stated in combination with special plateau geographical environment, economic and cultural conditions, analyzed the factors of hindering third party logistics development in this region, then discussed how to improve the third party logistics development environment based on the analysis of pastoral areas present status.

Keywords—third party logistics; Qinghai pastoral area; improvement measures

I. INTRODUCTION

Third party logistics is known as the accelerator of social and economic development, is one of the sunrise industry in the 21st century. Although the Qinghai is located in the northwest inland of China's economic poverty areas, it has rich resources such as beef, mutton, fur, coal, natural gas, wind power and other mineral resources. Convenient and fast logistics can guarantee resources to flow smoothly, however, 3PL's development in Qinghai is still at an initial stage.

II. PRESENT SITUATION ANALYSIS OF QINGHAI PASTORAL AREAS'S 3PL

Since the 16th National Congress, Qinghai province's economy has been maintained a sustained, rapid, coordinated and healthy development tendency, comprehensive economy gradually strength, industrial and agricultural products are greatly increased, urban and rural people's living standards significantly improved, the need of logistics which service for production and sales. 90% of means of subsistence need to input from the outgoing, 95% of industrial products are exported to surrounding areas, more than 25% of GDP is the total logistics cost. Constructing modern logistics and improving the efficiency of logistics that will be a new bright spot of the economic growth for Qinghai pastoral area. while logistics enterprises are common in low-profit and weakness of development.

A. Natural Geographical Environment of Qinghai Pastoral Area

Qinghai is one of the important provinces in our country on the tibetan plateau, the difference of terrain is significant, mean altitude is over 4000m, its climate is continental type, the winter

is severe cold and long, the summer is cool and briefness. Administrative divisions is a large area, while there is small population density. Qinghai pastoral area is the fourth of the china's five pastoral areas, a total of 1.8 billion hectares and 500 million hectares used grassland where the total production of forage is 79.8 million tons every year, there are 2.3 billion heads of livestock, all kinds of mineral resources are very abundant.

B. Social Environment Present Situation

With the rapid economic growth of qinghai, the province agriculture and husbandry's output value was 367 millions in 1978 to 10085 millions in 2012, increased by nearly more 30 times, economic structure has been optimizing, comprehensive strength is being to a new level. Plant-eating livestock slaughtering rate was 31.3% in pastoral areas throughout the year, and the commodity rate was 25.8%, the amount of plant-eating was 3220 thousand units, the total output of meat in 2012 increased by 13.8% to 28.75 thousand tons, wool yield was 2.77 thousand tons, up 15.4% at the end of 2012.

TABLE I. FREIGHT VOLUME AND GDP FOR QINGHAI PROVINCE

Table of Freight Volume and GDP		
Years	Freight volume (million tons)	GDP (billion yuan)
2006	76.41	64.85
2007	82.60	79.74
2008	93.18	101.86
2009	100.57	108.13
2010	114.26	135.04

The 3PL's industry in Qinghai rapid prospers with the development of economy, in 2012, the added value of transportation, warehousing and distribution business in Qinghai province is 6.232 billion yuan, an increase of 11.0%

over the previous years, the total freight volume was 110.93 million tons, 9.3 % increased than that of the same time of last year, the railway freight transport volume was 29.02 million tons, an increase of 18.9%, highway freight volume was 82.09 million tons, a rise of 7.2%. But compared with eastern provinces, 3PL of Qinghai, especially in pastoral area, there is a big gap about development level.

C. Current Situations of 3PL Enterprises

In just a few years, with the center of Xining city, there are many companies and 3PL enterprises which can reach at parts of the country. They mostly operate independently, influenced by old ideas, tending to have small scale, backward technical equipment, low level of specialization, information technology such as Bar code, EDI can't get applied extensively and others. In the process of dealing with logistics business, the unreasonable phenomenon of operation such as transportation delay, low-efficiency distribution, storage capacity weak, few value-added services are widespread, for the characteristic of grassland livestock products-all kinds of meat, milk, fur and other livestock products, when faced above defects it is undoubtedly fatal.

III. RESTRICTIONS OF QINGHAI PASTORAL AREAS 3PL'S DEVELOPMENT

Recently, under the leading of "great western development strategy", the oil, gas, coal, meat, milk, fur and other natural resources of Qinghai pastoral areas are developed and shipped across the country, it attracted a steady stream of businessmen, investment companies into the pastoral area market, thus the huge profit space puts forward higher requirements to logistics demands. Despite 3PL of pastoral areas in recent years has been developed and improved, a lot of disadvantages should be overcome.

A. Underdeveloped Macroeconomic and Cultural Situation

Qinghai province which is primarily dominated by traditional agriculture and husbandry, The severe conditions of physical geography and the devious location of economical geography of the inland regions hinder the step which is modernization of logistics. while "Great western development" strategy promotes the development of Qinghai's economy, the inventory laggard management concept has been taken into account resistance for the development of Qinghai pastoral area third party logistics. Due to being a relatively strait area which located in remote pastoral areas, few human resources who are professional logistics groups decide to work here, so it is a shortage of them.

B. Imperfect Government's Supporting Policy

Logistics which is an emerging industry is failed to cause the enough attention of Qinghai province government, this result in unmatching between master planning and developing needs. Exploitation and construction of economic center, logistics park, distribution center, transportation hub, which are mainly located in Xining city, Geermu city, Delingha city, the scope of supporting doesn't be able to coverage remote pastoral areas, what's worse, the planning which is included land use, investment proportions and transport infrastructure construction doesn't get the effective implementation, so the expected effect of planning has been failed to come.

C. Backward Construction of Logistics Infrastructure and Information Technology

In Qinghai pastoral area, the disharmonious development between traffic network layout, the industry layout and population distribution that are not coordinated is disadvantage of which transport to demand parts and convenient to go out for participants. So far, Qinghai's railway system come to an only aorta-Qingzang's railway, which link Haixi State to Haibei State of Qinghai, others such as Hainan State, Guoluo State, Yushu State choose highway that is the only mode of transportation and is short mileage and low level to travel. Because Qinghai pastoral area is the cradle of numerous rivers likes the Yangtze River and the Yellow River, shallow and small river, completely is unable to be constructed ports and developed waterway transportation. Funds shortage is the main bottleneck of the air transportation development in the underdeveloped pastoral area, then expensive air has a little proportion. The overwhelming majority of logistics companies who are the processing enterprises, distribution centers, storage centers don't have the ability to provide high quality integrated logistics services. Information technology utilization and network platform construction are backward.



FIGURE 1. MAJOR ROADS IN QINGHAI PROVINCE.

D. Frequent Natural Disaster

The natural calamity is frequent and the ecological environment is fragile in Qinghai pastoral area. The primal problems of economical development of Qinghai Province are soil erosion and degradation, plant destruction, land saline-alkalization, grassland degeneration which are basic elements for human existence, frequent natural disasters have resulted in hazard losing of farming and husbandry production and other economic works. Over the 90% of the natural disaster is related to meteorological disaster likes cold, drought, hail, snow disaster, strong wind, and other meteorological disasters happen frequently, resulting in unstable development conditions.

IV. RELEVANT COUNTERMEASURES FOR THE DEVELOPMENT OF QINGHAI PASTORAL AREAS 3PL

It is a fundamental project to improve the environment of 3PL's development of Qinghai pastoral areas, the project, not only involves the transformation and upgrade of the 3PL's enterprise, but also influences implementation of government's supporting and instructing. What's more, it is advantage that

effective countermeasures can be used to strengthen the competitiveness ability of pastoral areas logistics, reduce logistics cost, improve the social, economic and environmental benefits.

A. Operation Process Optimizing of 3PL Enterprise

Faced with more and more fierce competitive environment, in order to improve the efficiency of 3PL enterprise, internal optimization can play an important role in the improvement of service quality. Optimizing the distribution process, rational utilization of storage resources, correctly allocation the transportation, warehousing and distribution's proportion of investment, which are great important for reforming 3PL's organization. Information system is the soul of logistics enterprise operation, it is an urgent need to use advanced information technology to ensure the logistics business' process to be smooth and efficient for Qinghai pastoral areas 3PL. The implementation of performance management that is good for lean improvement of 3PL's industry is the only way to success in order to make sure the best running profit.

B. Government 's Supporting Expanding and Model Enterprise Leading

Logistics industry in the pastoral areas should actively build native leading enterprises, through the market driving, leading enterprise coordination, social participation, and policy supporting, to achieve comprehensively enhancing the logistics industry's modernization level and strengthen the international competition power.

C. Improvement of Pastoral Area Logistics Network Layout

The perfect network system plays an important role in promoting the healthy development of the logistics industry, a multi-level and radial pattern network nodes can be helpful to meet the demand of development. In addition to the existing logistics parks, in Geermu, Delingha, Haidong State, and River birthplaces, they speed up the exploitation and management of logistics parks which coverage to all parts of Qinghai pastoral areas to provide satisfying, safe, fast logistics service, at the same time, strengthen exchange and cooperation with other places.

D. Increasing Investment of Infrastructure Construction

Qinghai province will plan to construct logistics transportation network system, an outward-radial, multiple-layered comprehensive system that looks like a spider's web, which regards Xining city and Geermu city as its center, Lanqing railway, Qingzang railway, Qingzang highway, they become spindles in this system. Constantly improving the running environment of information technology, accelerating

Qinghai pastoral area logistics industry's informatization processes. Paying more attention to education development and reform ,cultivating and enrolling professionals.

E. Cultivating the Concept of Green Logistics

Ecological environment deterioration has been come ture in Qinghai pastoral area following widespread overgrazing, frequent wildfires and unscientific mining, green logistics emerges as the development require based on severe ecological environmental problems. It is the only way that 3PL enterprise as one of the most frequently activities in pastoral areas in the future choose green model as the direction of development to achieve coexistence between environment and economic, and realize the sustainable development finally.

V. CONCLUSIONS

With the sharp speed development of China inland's economy, in future years, the 3PL will become one of the important driving forces for the economy in Qinghai pastoral area, modern logistics development of pastoral areas under the background of developing ecological economy become more and more important. There are more resources such as human resource, money, material and information technology that are introduced into pastoral area market's investment and development when we exploit natural resources, after, it is a gold time for 3PL industry which will drive qinghai pastoral areas economy into a higher level.

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