

## Guest Editorial: Moving Forwards...

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All articles in this issue arise from the Northeast Asia Logistics Conference, one of three consecutive events in 27-29 April 2004 celebrating the 50<sup>th</sup> Anniversary of the founding of Inha University, Incheon, Korea. The other two events were the establishment of the Global U7 Consortium and the Korea-Netherlands Logistics Seminar.

There was a strong thematic link between the three events. The Korea-Netherlands Logistics Seminar compared and contrasted logistics trends in two similar-sized economies occupying pivotal hub positions in Northeast Asia and Europe respectively. The Global U7 Consortium between Inha University, the University of Haifa, Israel, Le Havre University, France, RMIT University Melbourne, Australia, University of Rhode Island, USA, Washington State University, Seattle, USA and Xiamen University, China, was focused on establishing a framework for joint educational and research activities in logistics, marine affairs, business administration and advanced technologies, while simultaneously boosting administrative capability. The Northeast Asia Logistics Conference covered current trends in transportation and logistics embracing the views of major journal editors and other global perspectives; logistics in Northeast Asia (China, Japan and Korea), and the Incheon Pentaport—The Five Ports in One Project, and human resource development in logistics

In this issue we turn the logic of the Northeast Asia Logistics Conference on its head by working from the local through the regional to the global. We begin with three papers related to the Incheon Pentaport Project followed by three papers from the session entitled 'Logistics in Northeast Asia' and conclude with a review of intermodal logistics policies in Europe, Japan and North America.

### *Incheon Pentaport Project*

Developments are proceeding apace in distilling the scope of the Incheon Pentaport project as a whole and its five components: airport, business port, leisure port, seaport and technoport (Chang, 2003; Rimmer and Chang, 2004). However, only one element is explored in depth here—the leisure port. Complementing this study are two other papers reporting relevant comparative work related to the conceptual framework underpinning the entire project and the study's possible scope—the prospects of deriving synergies from the clustering of activities and the need to

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ensure that the entire spectrum of activities are canvassed by investigating and integrating comparative work on logistics undertaken in Europe.

Marc Miller from Global U7's University of Washington and Sung-Gwi Kim from the Korea Maritime Institute, Seoul, provide a comprehensive framework for sustaining the leisure port's development through to 2020. After outlining leisure port planning concepts, the authors proceed to apply the principles of the broker-local-tourist system to the new tourism core centered upon Incheon International Airport to provide a sound basis for leisure port planning. International benchmarks are provided as yardsticks for gauging the nature and direction of Incheon's development. After this blueprint the next logical step is the formation of an Incheon Leisure Port Committee to facilitate the initiative's development.

Peter de Langen from the Erasmus University of Rotterdam in the Netherlands provides a theoretical basis for port clustering. Although his benchmark studies are Durban, the Lower Mississippi Ports and Rotterdam, the findings on the strategies of port authorities are applicable to the Port of Incheon because they highlight the importance of the port authority as cluster manager, its implications for the authority's institutional position and policies for managing port clusters. This important theoretical contribution of applying clusters to seaports needs to be re-evaluated in line with the criticism by Ash Amin and Nigel Thrift (2002) of the underpinning work of Michael Porter (1990) and Paul Krugman (1995) on the competitiveness of cities that relies on clusters and agglomeration economies (see also Fujita, Krugman and Venables, 1999).

Peter Marlow and Ana C. Paixao Casaca from the Cardiff Business School at Cardiff University, United Kingdom, take us on another tack by providing a European perspective on Short Sea Shipping (SSS) and its role in logistics supply chains. This overview raises the need for a complementary study of SSS in Korea with particular reference to the Pentaport project and the position of the Port of Incheon. Currently, the National Capital Region generates one-third of Korea's container movements but the southern ports of Busan and Gwangyang Bay handle 75 per cent (Chang, 2004). While reduced road congestion is promised, European experience suggests that engineering this desirable shift from road to sea transport may be difficult but should not dissuade Korean policy makers from exploring the benefits to be attained from a truly integrated transport system.

### *Logistics in Northeast Asia (China, Japan and Korea)*

This title is perhaps misleading since none of the following papers focus entirely on specific logistical situations within Northeast Asia but range far more widely. Given that all authors stem from Asia perhaps a more apt title would have been 'Logisticians from Asia (China, Japan and Korea)'. Indeed, the scope of their topics suggests that practitioners based in Asia have important theoretical contributions to make to complement work on more specific regional issues.

Guojun Ji and Yan Zhou from the Global U7's Xiamen University explore the application of chaos theory to supply chain management. Their argument is that traditional supply chain management concepts are outmoded. During the twentieth

century Management by Objective (MBO) superseded Management by Instruction (MBI). In turn, the MBO formulation is no longer applicable for managing a chaotic system and its turbulent environment in the twenty-first century because supply chain management has reached the point where it is no longer simple to make savings. Rather supply-chain managers need to change their mind-set and accept a shared set of principles embodied in the suggested concept of Management by Values (MBV) based on identifying and guiding the simple deterministic rules underlying complex systems.

Yutaka Watanabe from the Tokyo University of Marine Science and Technology has been developing trial estimation procedures for assessing carbon dioxide emissions from container ports. Although measurements are initially derived from two Japanese ports, the author demonstrates that the technique is applicable to the operations of container ports in other countries, based on their throughput and transshipments measured in twenty-foot equivalent units (TEUs). The results suggest that container ports may have a serious impact on global warming that will intensify with the expected growth of mega-hub ports and the increase in transshipments. Therefore, the author proceeds to outline the rudiments of a possible international compensation regime.

Prabir De from Research and Information Systems (RIS) in New Delhi, India, and Ro-Kyoung Park from Chosun University, Korea, bring a battery of standard statistical techniques to explore changes in concentration within the international port system between and within economic blocs. Techniques range from the Gini Coefficient and the Herfindahl-Hirschmann Index for gauging the nature and trend of the cross-country competitive environment, through Kendall's Coefficient of Concordance and Spearman's Rank Correlation Coefficient for determining changes in the relative positions of countries, to the Coefficient of Variation (COV) for judging the dispersion of container throughput over time. While the findings highlight changes in the degree of concentration within the world's container port system with special reference to East Asia, marked variations between countries within this particular *bloc* are also noted.

### *Global Perspective*

Burkhard Horn from the Institute for Transport Policy Studies in Tokyo brings a lifetime of experience to identifying issues in intermodal logistics, recognizing alternative solutions, and developing strategies to achieve them. On this occasion, he provides important insights about integrating freight logistics and supply chain practices before proceeding to highlight differences in intermodal policy settings and approaches between the European Union (EU), the North American Free Trade Agreement (NAFTA) and Asia. In exploring this Triad, attention is centred upon the EU, the United States and Japan.

Perhaps we should end on Burkhard Horn's lament that Asia has yet to develop a common intermodal strategy. This desirable target should be the focus of both investigators and policy-makers in the years ahead.

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