

A Comprehensive Measurement Study Analyzing Cross-Border Logistics in Harbin New District

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Abstract: The business environment is an important index for measuring the international competitiveness of a country or region. Improving the business environment not only helps the logistics industry reduce costs and increase efficiency but also promotes the transformation and upgrading of the logistics sector. This paper focuses on the business environment of cross-border logistics enterprises in Harbin New District as the research object. It constructs the business environment index system of logistics enterprises in Harbin New District through empirical research using the subjective weighting method. The research data are then analyzed to identify the shortcomings in optimizing the business environment of cross-border logistics in Harbin New District. The paper proposes countermeasures and suggestions, aiming to provide a decision-making reference for promoting the high-quality development and all-round revitalization of Harbin New District.

Keywords: Harbin New District; Cross-border logistics; Measurement of business environment; Index system

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1. Introduction

The business environment of cross-border logistics enterprises has a profound impact on the operating efficiency and sustainable development of a country or region. Improving the business environment of logistics enterprises not only helps reduce costs and increase efficiency in the logistics industry but also promotes the transformation and upgrading of the sector.

Harbin New District was approved for establishment in December 2015. The State Council stated that the construction of Harbin New District should facilitate smooth foreign trade channels, establish an international cooperation platform, construct an export-oriented industrial system, and strive to position Harbin New District as a vital area for all-round cooperation between China and Russia. As the only national new district and the northernmost national new district in China with the theme of cooperation with Russia, the business environment of cross-border logistics enterprises is intricately linked to the function of Harbin New District, the layout of national economic development, and the new economic growth pole in Northeast China.

Accelerating the construction of an international logistics channel, focusing on cooperation with Russia and connecting Europe and Asia, is deemed an important national strategy for Harbin New District ^[1,2].

2. Analysis of the current situation of the cross-border logistics business environment in Harbin New District

2.1. The rapid development of cross-border logistics

- (1) China's cross-border logistics market is experiencing rapid growth. The "Implementation Plan for Harbin to Carry Out Modern Logistics Innovation and Development Cities" clearly outlines Harbin's commitment to opening international logistics channels for Russia, Mongolia, and even Europe. The city aims to establish a regional logistics organization center for Russia and build a cross-border e-commerce logistics platform between China and Russia. Against the backdrop of deep integration into the co-construction of the "Belt and Road Initiative," the Harbin Municipal Government has actively implemented central authorities' instructions, establishing itself as a central city for cooperation with Russia. It has initiated the Harbin-Russia train, gradually creating the brand effect of the Harbin-Russia cross-border logistics channel. By the end of June 2020, Harbin shipped 446 trains and 32,800 twenty-foot equivalent units (TEUs) of cargo, with a total value of US\$396 million.
- (2) Cross-border logistics in the new area is driving the growth of Harbin's import and export trade. Since the establishment of the China (Heilongjiang) Pilot Free Trade Zone in August 2019, Harbin's foreign trade scale has consistently expanded, maintaining a three-digit growth rate of total import and export volume, and showing overall steady and progressive trends. In the first half of 2021, the total import and export volume increased by 279.1% year-on-year. The first case of "Network Freight Road Transportation Business License" approved by a Russian express company in the province was included in the 2020 China International Fair for Trade in Services demonstration case.
- (3) Trade facilitation measures are propelling the development of cross-border e-commerce in Harbin New District. In recent years, Harbin Customs has actively promoted the high-level opening and high-quality development of the comprehensive bonded zone. It has introduced 19 measures to support the zone's high-quality development, including 15 tasks aimed at detailed measures. Harbin Customs supports the development of China-Europe trains, introducing measures to enhance trade facilitation in the comprehensive bonded zone. The Customs authority guides and supports the development of new industries and formats, such as cross-border e-commerce, bonded processing, bonded logistics, bonded research and development, and bonded maintenance, within the comprehensive insurance zone. It solidly promotes the implementation of policies such as "Four Simplicities and One Simplification," "Entrusted Processing," and "General Taxpayer." The implementation of measures, such as the classified supervision of warehousing goods based on status, release after sampling, and setting up non-declaration channels in the comprehensive bonded zone, aims to create a favorable business environment for cross-border logistics enterprises ^[3].

2.2. Construction of the cross-border logistics business environment system

- (1) The cross-border logistics policy system in the new district is relatively well-developed. Cross-border logistics, recognized as a key construction industry in Harbin, is experiencing positive growth. Policies such as the "Thirteenth Five-Year Plan" for the development of the logistics industry in Harbin, the implementation plan for the pilot city of modern logistics innovation and development in Harbin, and the three-year action plan for promoting the pilot city of modern logistics innovation and development in Harbin (2016–2018) have been successively promulgated. The economic contribution rate of the cross-border logistics industry has improved, driven by the policy dividends of the Harbin New District Free Trade Zone. In 2021, the regional GDP of Harbin New District reached CNY 85.25 billion, marking a 7% year-on-year increase, contributing 1.1 percentage points to the city's overall

GDP growth.

- (2) The cross-border logistics policy system has seen continuous improvement. In 2022, policies and regulations such as “Heilongjiang Province’s 14th Five-Year Plan to Optimize Business Environment” and “Harbin Customs’ 20 Measures to Promote the Stability and Quality of Foreign Trade” were promulgated. These measures continue to support the healthy and rapid development of cross-border logistics in Harbin New District. The plan emphasizes the vigorous promotion of various open platforms, including Harbin New District and the Pilot Free Trade Zone, Cross-Border Economic Cooperation Zone, and Cross-Border E-Commerce Comprehensive Zone. It aims to provide more efficient and convenient customs clearance services for cross-border logistics, promote the liberalization and facilitation of cross-border trade, and assist Harbin in accelerating the creation of a market-oriented, legal, and international business environment.

3. Harbin New District cross-border logistics business environment survey data analysis

According to the factors affecting the business environment of logistics enterprises, and drawing insights from relevant literature and expert interviews, this research group devised the “Harbin New District Cross-Border Logistics Business Environment Index System.” This system comprises 9 first-level indicators and 28 second-level indicators. Correspondingly, a questionnaire for measuring the cross-border logistics business environment in Harbin New District was crafted ^[4].

3.1. Data analysis of legal environment investigation

Concerning the legal environment, the survey data indicate that law enforcement behavior in the cross-border logistics market in Harbin New District is relatively standardized. Most enterprises are not adversely affected by irregular law enforcement behavior. Even when enterprises engage in illegal activities, they are subject to supervision; however, certain illegal behaviors still go unsupervised. Therefore, the government should strengthen supervision efforts and work towards eliminating illegal practices.

The establishment of early warning indicators (EWI) as well as financial risk prevention and control for cross-border logistics enterprises in the new district is commendable. Nevertheless, there are areas where market early warning and prevention and control mechanisms are yet to be established. To enhance the legal environment and address risks promptly, relevant departments should expedite the establishment of these EWI and prevention and control mechanisms.

3.2. Data analysis of government environmental survey

Concerning the government environment, the survey data reveals that the simplicity of administrative examination and approval procedures for cross-border logistics enterprises in the new district is generally high. However, nearly one-third of respondents still perceive the simplicity as average or not high. Based on the data, there is room for improvement in the simplicity of administrative examination and approval procedures, and the convenience of administrative processes needs strengthening. Government support plays a crucial role in shaping the development trajectory of enterprises. While the majority (over 71.3%) perceive that the new district government supports cross-border logistics, the level of perceived support is not very high. The new district government should prioritize this aspect, encouraging the development of cross-border logistics enterprises, enhancing the construction of cross-border logistics infrastructure, and fostering a favorable government environment for logistics enterprises in the new district.

3.3. Data analysis of market environment survey

The survey data indicates that the high market access standards for cross-border logistics enterprises in Harbin New District do not contribute positively to stimulating the vitality of market players. The government should intervene using invisible hands, lowering the market access threshold, promoting free competition among cross-border logistics enterprises, and cultivating a favorable market environment.

3.4. Data analysis of credit environment survey

According to the survey data, the construction of the credit platform for the cross-border logistics market in Harbin New District has progressed relatively quickly and is essentially complete. However, having the platform is only the foundation for a favorable credit environment; the platform's operation is of paramount importance. Some participants expressed the view that the credit platform has not been well-operated, and the relevant industry associations have not played an effective role. This issue warrants the attention of platform operators and industry associations to establish a more effective operating mechanism and leverage the role of the platform and associations.

Public participation and public opinion supervision in the construction of the credit environment cannot be overlooked. The public in the new district actively engages in the development of the cross-border logistics industry and plays a significant role in public opinion supervision. The establishment of an incentive and penalty mechanism for the trustworthiness of the logistics industry can better encourage enterprises to adhere to corporate credit and standardize their behavior. The current incentive and penalty mechanism for the trustworthiness of the logistics industry in the new district is positive, contributing to the creation of a favorable credit environment.

3.5. Data analysis of land use environment survey

The survey data indicates that, in terms of land use environment, acquiring logistics land in Harbin New District is generally not difficult, and the associated costs are reasonable. This situation has played a role in promoting the development of the cross-border logistics industry in the new district.

3.6. Data analysis of tax business environment survey

The survey data indicates that the optimization of the tax business environment can promote the stable and healthy development of the emergency society. Approximately 61% believe that the degree of tax burden reduction for cross-border logistics enterprises in the new district and the tax burden reduction for businesses transitioning to tax status is high, while 30% consider it average. The reduction in the burden of land use tax is generally perceived to be at a standard level. In the tax environment, appropriate measures should be taken by tax authorities to enhance the degree of burden reduction and optimize the tax environment for the cross-border logistics industry in the new district.

3.7. Data analysis of employment environment survey

Regarding the employment environment, more than 50% of respondents believe that the employee retention rate of cross-border logistics enterprises in the new district is high, with 35% considering it to be average. While the overall employee retention rate for logistics enterprises in the new district is positive, the social training impact of these enterprises needs strengthening. Just over half think that the social training effect of logistics enterprises in the new district is good. Since social training is a crucial method for enhancing employment efficiency, enterprises should ensure they implement effective social training.

In terms of personnel training, most logistics enterprises prioritize investment in this area. Only 34%

of respondents feel that the logistics enterprises in the new district have an average investment in personnel training, while others perceive the investment as high. For enterprises with lower investments in personnel training, it is essential to raise awareness about the importance of personnel training. Insufficient talent reserve is a decisive factor influencing the development prospects of enterprises, demanding attention from both enterprises and the government.

According to the survey data, the supply of logistics talents from colleges and universities in the new district is generally good. However, a few respondents still feel that the supply of logistics talents from colleges and universities is poor. Therefore, logistics enterprises in the new district should engage with colleges and universities to recruit logistics talents and address the supply shortage ^[5].

3.8. Data analysis of financing environment survey

The financing mode of enterprises significantly influences their capital structure, and the economic development level of the industry is also reflected in the economic system and financial support level. According to the survey data, 62% of the respondents believe that logistics enterprises in the new area have a high degree of choice regarding collateral, while 37% think that these enterprises have a low degree of choice. In the survey regarding the loan amount of logistics enterprises in the new district, half of the respondents believe that the loan amount is not high. When assessing the financing channels of logistics enterprises in the new district, 41% of the respondents perceive these channels as average. These data indicate the need for improvement in various aspects of the financing activities of logistics enterprises in the new district. Both enterprises and the government should focus on enhancing the financing environment to address the financing difficulties faced by enterprises, thereby facilitating the development of logistics enterprises.

3.9. Data analysis of customs clearance environment investigation

Regarding the customs clearance environment, the survey data indicates that 73% of the respondents believe that the customs clearance environment in the new district is good or above, while less than one-fifth view it as average. This suggests that the customs clearance environment of the cross-border logistics industry in the new district is favorable and has the potential for further optimization to achieve an optimal customs clearance environment.

4. Countermeasures and suggestions for the development of cross-border logistics in Harbin New District

4.1. Suggestions for improving the cross-border logistics government environment

To enhance the administrative environment of cross-border logistics in Harbin New District, the government should, first and foremost, coordinate logistics layout, node construction, and route planning. Active fundraising should be pursued to open transportation channels province-wide, implementing a “one-time security inspection” process to alleviate the burden on cross-border logistics enterprises. Simultaneously, adopting random sampling methods for logistics safety supervision is recommended. Secondly, reducing the difficulty of accessing public information from the new district government is advised. Establishing a cross-departmental, all-data, public welfare logistics big data center to facilitate data exchange between government management departments will enable end-to-end data visibility, one-stop service provision, and improved port service level. Thirdly, continuous optimization of the administrative approval process by all government departments in Harbin New District is suggested. This involves further canceling pre-approval procedures, enhancing transparency and timeliness of approvals, providing convenient online and remote approval methods for cross-

border logistics enterprises, and reinforcing supervision during and after the approval process.

4.2. Suggestions for improving the employment environment of cross-border logistics enterprises

Harbin New District should persist in issuing relevant policy documents and intensify the implementation of cross-border comprehensive transportation hub construction. Emphasis should be placed on accelerating the development of the railway cross-border transportation system, Harbin international aviation hub, highway cross-border transportation channel, and communication infrastructure to facilitate a smooth international trade channel. Currently, these policies have yielded remarkable results. According to the official website of Harbin Customs, in the first half of 2022, Heilongjiang Province imported and exported CNY 96.38 billion to countries along the “Belt and Road Initiative,” marking a 37% increase, with Harbin accounting for 78.9% of the province’s total foreign trade. Among these, exports amounted to CNY 12.28 billion, a 15% increase, while imports reached CNY 84.1 billion, a substantial 40.9% rise.

Despite these achievements, under the grand blueprint of the “Belt and Road Initiative” construction in China, the cross-border logistics industry in Harbin still faces challenges of brain drain and a shortage of high-quality professionals. Presently, many universities in Harbin do not offer cross-border logistics majors, resulting in the inability of these institutions to train talents meeting the requirements of cross-border logistics industries and enterprises for innovative high-quality professionals. Additionally, there is a phenomenon of brain drain in cross-border e-commerce in Harbin New District to varying degrees, demanding sufficient attention from relevant departments.

It is recommended to organize activities such as cross-border e-commerce campus competitions through collaboration between Chinese and Russian e-commerce enterprises. This initiative aims to attract and cultivate cross-border logistics talents, making subject education more practice-driven and further promoting the integration of Industry-University-Research. The goal is to nurture individuals with excellent cross-border logistics practical abilities and to emphasize cultivating students’ awareness of cross-border logistics services. This approach aims to reserve rich and high-quality human resources for the cross-border logistics industry in the new district.

4.3. Suggestions for optimizing the investment and financing environment of cross-border logistics enterprises

To enhance the investment and financing environment for cross-border logistics enterprises in Harbin New District, the following specific suggestions are proposed:

- (1) Implement the policies of the first batch of comprehensive pilot cities in cross-border electronic commerce, leveraging them to realize the electronic port and cross-border settlement functions of Harbin New District.
- (2) Capitalize on national policies to comprehensively deepen the innovation and development of service trade pilot cities. Actively support the development of high-tech and high-value-added service enterprises, solidify the advancement of the “Belt and Road Initiative,” and elevate Harbin’s strategic position and influence as a central city for cooperation with Russia ^[6].

4.4. Suggestions on optimizing the market environment of cross-border logistics enterprises

In the optimization of the market environment for cross-border logistics enterprises in Harbin New District, the following recommendations are made:

- (1) Establish an international logistics investment service platform in Harbin New District. Increase

information service support for cross-border logistics enterprises concerning overseas market dynamics, customer information, and market demand^[7].

- (2) Suggest the Harbin New District government to facilitate the establishment of a communication platform with overseas logistics industry associations. Understand and share timely market business information of overseas logistics enterprises. Encourage lead representatives of cross-border logistics enterprises to participate in overseas logistics-related exchange meetings or exhibitions.
- (3) Recommend the government of Harbin New District or relevant departments (trade associations) to establish an early warning and information release mechanism for overseas investment risks. Timely forecast overseas political, economic, and social risks. Provide policy information about countries, the logistics industry, and customs. Assist logistics enterprises in “going global” by offering financial and human resources support.

4.5. Suggestions on reducing the tax burden of cross-border logistics enterprises

To alleviate the tax burden on cross-border logistics enterprises, the following suggestions are put forward:

- (1) It is recommended that the new district address the issue of insufficient input deduction. Cross-border logistics enterprises often outsource road transportation business, and the special Value-Added Tax (VAT) invoices obtained by individual transport operators for centralized procurement of fuel costs and tolls during transportation should be included in the input deduction of logistics enterprises. The clarification on the management system issuing special invoices for VAT on behalf of individual transport operators in the transportation industry, in conjunction with the launch of the third phase of Golden Tax, can help streamline this process.
- (2) It is proposed to replicate and continue the financial subsidy policy initiated by the “reform of the camp.” Adjusting the tax rate of transportation services to 6%, aligning it with the tax rate of logistics auxiliary services, and canceling the existing subsidy policy is recommended. However, if the current tax rate is maintained, the subsidy support policy should be extended until there is no difference. The “VAT reform” subsidy policy, based on the disparity between the VAT tax burden and the calculated business tax burden, should be implemented according to the original policy as long as there is a difference.
- (3) There is a need to introduce a policy of continuing to levy land use tax by half^[8]. For the land used for storage facilities owned or leased by cross-border logistics enterprises, logistics parks, and logistics storage facilities investment operators in the new district, the urban land use tax will be halved according to the applicable tax standard of the land grade. Moreover, there will no longer be restrictions on the types of goods applicable to storage facilities^[9].

4.6. Suggestions on reducing the land burden of cross-border logistics enterprises in Harbin New Area.

It is recommended to enhance the formulation and implementation of cross-border logistics planning in Harbin New District. This involves ensuring a stable supply of logistics land indicators and incorporating logistics land into urban infrastructure land planning. Furthermore, the cancellation of unreasonable indicators, such as investment intensity and tax contribution of logistics land, should be considered.

More support should be given to the logistics land that serves the purpose of consumer protection and production support. Making full use of idle resources around the city and reinforcing the centralized layout of logistics land is crucial. This can be achieved by increasing supporting facilities for manufacturing clusters and guiding various modes of transportation, such as railways, into the park. Such measures aim to maximize the

agglomeration effect and provide robust industrial support.

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