

'Aero-tropolis' grows near city

Zhengzhou Airport Economic Zone develops around runways to become an efficient and thriving logistical hub, writes **David Powell**



John Kasarda says the aero-tropolis model is exemplified by Hong Kong.

AIRPORTS

Rising in the outskirts of Zhengzhou is a 415-square-kilometre "aero-tropolis" – a city with an airport at its core. Still in its infancy, the Zhengzhou Airport Economic Zone (ZAEZ) will be home to more than 2.5 million people whose lives and livelihoods will be supported by a five-runway airport primarily servicing the area's manufacturing and logistics industries.

The aero-tropolis already boasts impressive numbers. Total fixed commercial real estate investment topped 40 billion yuan (HK\$50.6 billion) last year, with large industries in the area producing added value of more than 34 billion yuan, according to ZAEZ chief adviser John Kasarda, who also directs the Centre for Air Commerce at the University of North Carolina's Kenan-Flagler Business School.

Total imports and exports hit 37.9 billion yuan in 2014, accounting for 58.3 per cent of the total value of foreign trade in Henan.

Kasarda describes an aero-tropolis as "a city built around an airport", a business-centric configuration that offers companies "speedy connectivity to their suppliers, customers and enterprise partners worldwide, increasing both firm and urban efficiencies".

"Dubai, Hong Kong and Singapore have evolved into complete aero-tropolises," Kasarda says. "In fact, all three may be legitimately described as global aviation hubs with city-states attached."

Manufacturers benefit from a central airport from which they can fly lightweight and high-value products around the world. Foxconn, with its production of 118 million smartphones by 300,000 people, is the anchor and one of the main beneficiaries of the ZAEZ.



The Zhengzhou Airport Economic Zone aims to support 2.5 million people via business generated by a five-runway airport. Photo: ImagineChina

Other "hi-tech manufacturing, advanced logistics and high-value business service firms" operate in the ZAEZ, Kasarda says. They are being joined by biomedical, international exhibition, and research and development facilities.

"In today's business environment, time is not only cost, it is currency," Kasarda says. He describes an airport-centred city as an "urban pipe" that benefits companies and consumers by translating "economies of speed"

into a competitive advantage. While the airport topped the mainland's 2014 growth list for air cargo airports, passengers are increasing at record rates. The Zhengzhou Xinzheng International Airport was the mainland's fastest-growing passenger airport last year. When it maxes out with five runways in 2030, it is expected to handle 70 million passengers per year and 5 million tonnes of cargo.

Local residents benefit from the aero-tropolis because highly-orchestrated development replaces the often-haphazard construction typically seen around airports that develop organically. More directly, jobs and the money that comes with them continue to flow.

"I would expect double-digit growth rates of investment and business revenues for at least the next five years," Kasarda says. "The Zhengzhou airport should also remain one of China's fastest-growing cargo and passenger

airports for years to come." The positive effects extend beyond the aero-tropolis. "As construction and industrial investment booms, suppliers located nearby and business services in Zhengzhou and Henan province expand to support the ZAEZ's industry," Kasarda says. "Jobs, incomes and overall economic prosperity increase over an ever-widening area."

The aggressive expansion of the aero-tropolis necessitates ambitious growth of the support services that make smooth operations possible. "Keeping surface transportation infrastructure ahead of growth will also be a challenge to prevent congestion," Kasarda says.

In order to attract and retain residents, the area will have to provide more than jobs. Kasarda says the ZAEZ will need to "create urban amenities, entertainment and the 'bright-light' effects of global city regions to change its social image" and attract top-flight labour.



Zhengzhou's aero-tropolis was envisioned as a city built around an airport.