

THE RESEARCH ON HOW TO SPEED UP AND INNOVATE THE SALT INDUSTRY CONSTRUCTION IN HENAN PROVINCE

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Abstract: This paper introduces the distribution of salt mine and salt rock resources in Henan province. It discusses the salt industry construction and salt management.

Key words: Slat industry construction, model, strategy

The mission of Chinese salt industry, one is to eliminate the iodine deficiency disease and to safeguard the people health through supplying the iodine table salt; the other hand is to produce the industrial salt to supply the agriculture, light industry, chemical industry, military industry, metallurgy, medicine, environmental protection, building materials, and to guarantee the national economy continuously fast and stable and coordinated development. Henan province has most population in China and the total population is more than 98 million. Therefore, we must speed up the process of innovation salt industry construction in Henan province.

INTRODUCTION

Present situation of salt industry in Henan province

Rich rock salt reserves

Henan Province is situated at the central plains. It did not produce the salt in history. In

the late 1980s, the national geology investigation discovered the sodium salt mine - Pingdingshan salt field. This salt field is located at Wuyang basin west, originated Rendian Ye County from west, east to Jiandian, Wuyang. It is 40 kilometers length and approximately 10 kilometers width from north to south. Its mop area is 400 square kilometers. Geological anticipated reserves 230 billion tons. The reservoir listed second in our country, and the average personal status is 89%, ranking the first in China. In recent years, the large-scale salt fields are discovered in Puyang. This salt field mainly distributes in Puyang, Qingfeng and Fan County. Salt field mop area is 500 square kilometers. The permission producing area is 82.9 square kilometers. The preliminary proving reserve is 47,850 million tons, the geology prospective reserves is as high as 120 billion tons. Present situation of salt-making industry

The resource development got rapid progress after the Pingdingshan salt field was discovered. 5 enterprises have been built until

2000, and the designed productivity amounts were 590,000 tons per year. Salt products converted from supply over demand to balance basically, which led the price of industrial salt raised and push the Henan salt-making enterprise to update their technology and enlarge the scale. 1 salt-making enterprise with 1 new production line established. At the end of 2008, the fixed asset total amount was 1,350 Million Yuan for the entire province salt-making enterprises. And salt product design productivity amounts are 3,200,000 tons (including liquid salt) per year.

Although the Henan salt-making industry started lately, its salt making technologies always kept at the advanced level in domestic. This is because it updated the salt-making technologies continuously, and developed and introduced the new technology, the new craft, the new equipments, the new materials in the development process. Every salt-making enterprise paid great attention to establish the product quality monitor and check mechanism in practice. Haolong Salt and Chemical Co. Ltd. in Pingdingshan and Wuyang Salt and Chemical Co. Ltd. Both passed the ISO9002 quality system authentication. They formed a set of operation mechanism of self-examination, self-surveillance and self-development from raw material purchase to the production process parameter control to the product formation warehousing. At the same time, they strengthen the enterprise innovative ideology with closely revolving "the quality, the variety and the benefit". They speed up the salt product mix adjustment to satisfy the different domain different levels of the market demand. Salt industry circulation and sale development present situation

Henan is one of seriously iodine deficiency diseases provinces. Therefore, the duty is quite arduous to carry out the table salt to monopolize and the prevention iodine deficiency disease. By the end of 2008, there are 254 enterprises engaged in the table salt wholesale management in whole Henan province. 153 enterprises were obtained the wholesale qualifications and 101 enterprises were entrusted the wholesale business to be

engaged in the table salt to transfer a generation of wholesale. Since 2000, salt industry circulation and sale insisted that the strict project management and strengthens the salt monopolizing and criterion the market operation and guarantee the iodized salt supply since 2000. They completed the table salt production and marketing plan ordered by the government. In recent years, the entire province circulation and sale enterprise is about 600,000 tons per year and the small industrial used salt is about 250,000 tons.

Along with the people consumption pattern's promotion to form the multi-variety table salt demand, the circulation and sale enterprise has been provided the opportunity to manage the high-tech and the high value added salt products. In 2002, the Henan Province salt administration administrative bureau has established Wei Qun (Henan Province) Variety Salt Limited Company. At present, it has already formed the nutrient salt and the bathing salt series, 11 varieties. The entire province salt industry circulation and sale enterprise adopted many kinds of marketing ways to promote the multi-variety nutrient salt. Through the entire province high and low endeavor, the multivariety salt's sales volume rises year by year.

To fulfill "Opinions of about promotion of salt circulation modernization" by National Development and Planning Commission, to speed up Henan Province table salt circulation modernization process, we must reduce the circulation cost and to raise the circulation efficiency and guarantee the qualified iodize salt supply. At the beginning of 2004, Henan salt administration administrative bureau built physical distribution allocation center in the Pingdingshan salt field - - Ye County. At the end of 2006, this center completed and began to operate, which symbolized that our province table salt circulation modernization made an important step.

Existing problems

Insufficient source superiority display and slow industry restructure

It is rich rock salt resources reserve in Henan Province. This provides the basic requirement for the expanded salt-making and the salt chemical industry scale. The salt-making output is 2,800,000 tons (including liquid salt) in 2008 - - small proportion in the total production. However the caustic soda which raw material based on salt output occupies 7%, at sixth place in overall country. The alkali output occupies 5%. The superiority of resources was insufficiently displayed. Salt and salt chemical industry's development lacks the unified plan, and the salt industry development and two alkali developments are not suitable and uncoordinated. The salt industry circulation and sale system administration overlaps, and low efficiency

The salt industry circulation and sale system administration system are not compatible. The multi-level management and the low efficiency and more hands than needed phenomenon are very prominent. Salt industry circulation and sale enterprise marketing method get behind in some counties. The management did not have the profit, the number of people ate the salty funds. The deficit of salt industry enlarged gradually. For example, the salty association organized "AAA" in 2004; the sale salt per person is 200-300 ton/year, they reached AAA or AA standards. The average sale salt product was 19.25 tons/year, it was far away from A standard. Unreasonable enterprise organizational structure and low industrial concentration degree.

The Henan salt industry exists small, disperse, weak and chaotic status. For example, there are about more than ten salt making enterprise (including to pick halogen) to authorize mining in entire province, only 3 enterprises are the National Authorized Enterprises. Besides Haolong salt chemicals in Pingdingshan, the majority of enterprises completely had still not got rid of the extensive management. Their production technology and the equipment level are backward. The resources are not used sufficiently. The labor productivity is low and the added value not high and the economic efficiency is bad.

Especially their economical scale has not achieved the national stipulation standard. Sole product structure and narrow market space

The salt extended industry development was still slow and the resources utilization is not sufficient. At present, the domestic table salt and the multi-variety salt and the wash salt serial products have more than 100 varieties, Henan only has ten kinds. The salt chemical products have more than 10,000 kinds internationally, but Henan has several dozens kinds. The majority product sales only limit in the province market, and domestic and the international market share is very limited.

THE ENVIRONMENTAL CONDITION OF OUR PROVINCE SALT INDUSTRY INNOVATION CONSTRUCTION

Environment competition of world economics integration

Along with the economic globalization advancement, the international competition speeds up. The salt industry business condition underwent great changes. World large-scale salt and salt chemicals company adjusted their product structures through merge, cooperation and purchase and acquisition tendency from multiplex development to specialized development. They contract the management scope and give up the athletic event in which one is weak and strengthen the core industry. The developed country will expand the research and development investment to seize in the future the technological innovation and the leading commanding point unceasingly and further speeds up the world salt chemicals technology the refresh rate. As a result of factors and so on environmental protection pressure and circulation and labor force price, developed country's primary salty product and the large amount salt chemicals product are shifting the developing country. They have the broad market and the material prosperity and the cheap labor. China has become the worldwide basis chemical industry manufacturing center and the transnational big

company is speeding up in the market potential big area investment and the layout. We should make use of favorable conditions and avoid unfavorable conditions. How to use the historic opportunity is a question must be considered by salty and the salty chemical industry.

Good opportunity of Chinese economy sustained development

Since last year, although the world economics crisis caused many state economies murky continuously, but Chinese economy under whole world financial crisis's environment still sustained development. According to the related state sectors predict that Chinese GDP will maintain about 8% speeds grows in 2009. National economy's development has led salty and the salty chemical industry development, especially basic raw material industry development. This has provided the quite steady beginning for the next step development. From the macroscopic management aspect, according to the status of the industry, the country will consummate the domestic and foreign trade gradually and the consummation policy how to use the foreign capital reasonably. This will be advantageous in the promotion salt and the salty chemical industry realizes the technical promotion and the intensification and the formalization direction develops, will maintain continues throughout with the industry the high speed development.

Two alkali's fast developments push the salt industry rapid expansion

Two alkalis (soda and caustic soda) is the main extending industry of crude salt. They account for 70% salty outputs. Soda and caustic soda had 10.62% and 14.23% increasing rare in this nearest five years, respectively. Corresponds with this, crude salt output increased per year only is 3.90% in near five years. Because the disequilibrium of salt and soda, the supply and demand relation underwent great changes at the end of 2003, the crude salt market supply and demand were

relatively intense. The salt consumption increased 300-400 million ton per year in recent 3 years. This kind of supply-demand relation will exist in quite long period of time. Therefore, Henan must develop the salt-making industry by using own resources superiority and making the salty chemical industry chain. This will help promote the profession competition greatly.

Historic opportunity of Middle rises

It will be Henan's important period to speed up the comprehensive construction affluent society and realize the Middle Plain to raise furiously the advancement within five years. It is also the strategic opportunity time that we must closely hold, and may be able to develop one's ability to the full. Looking from the macroscopic policy, the national government promotes the middle area to rise positively. The country supports the middle area development superiority industry in the policy, fund and the key projects construction aspect. Simultaneously the country increases the support dynamics to the agriculture and the basic industry, the infrastructure. This is advantageous in the display comparison superiority and the gaining control by striking this and realizes the spanning development. Middle the Henan economy's leap spanning development and the country rises the developmental strategy implementation to be advantageous to salty and the salty chemical industry development. As raising the strategic pivot in middle area, Henan must use the proper time to develop the salt-making and the salt chemical industry vigorously and promote the regional economies development diligently.

The rock salt is rich and the position is moderate

The Henan salt resources' support function has the reliable resources safeguard to develop the salt-making and the salt chemical industry. In addition, Henan is situated at the center of our country, Jing-Guang Railroad crosses from north and south, Long-Hai railroad connects between east and west, and

the highway extends in all directions. Its physical distribution radiation is broad, with the big product circulation radius and rich coal resource, and with the superior water conservation condition. These create the advantages to develop the innovative salt industry construction for our province.

COUNTERMEASURE AND SUGGESTIONS ABOUT HENAN SALT INDUSTRY INNOVATION CONSTRUCTION

The salt industry innovation construction needs to insist that take the scientific development concept as the instruction. According to "the Henan Province Salt and Salty Chemical industry "the 11th Five Year" Development Plan", we must further speed up the industry and the product structures adjustment. We must change the economic growth way to develop the salt industry as quickly as possible. We must insist that the table salt monopolizing policy, guarantee the qualified iodine salt supply and consolidate iodine deficiency diseases achievement; we must deepen the organizational reform and speed up the institutional innovations, and promote each work to realize new development based on the sustainable development.

Optimization industry structure as main line, insisting the strategy of the development salt by science and technology, changing economic growth way

Many issues existed in all province salt industry, for example, many, small, disperse, weak. The production technology and the equipment level are weak. The utilization of resources is not sufficient. The product is unitary; the added value is low. The labor productivity is low; the economic efficiency is bad. The entire profession lacks the core competitiveness. We speed up the adjustment positively and promote through the optimization, the entire province salt-making industry restructure needs to make the

substantive progress to 2010. We must display the region superiority and the reasonable industrial layout to satisfy the national economy and the social development effectively. We must optimize allocation of resources. We must depend on the large enterprise group to establish the stable effective table salt supply system. We must carry on the technological innovation and the structure optimization. We must take the salty terminal product as the goals. We must lengthen the industrial chain and the adjustment product structure and develop the high value added products to promote the professional benefit. We must enhance the resources and comprehensively use factor to promote salty and the salty chemical industry communal development and the enhancement profession comprehensive strength. We must introduce the circulation economy the development model and realize salt mine resources reasonable mining and the comprehensive utilization to enhance the profession economy the riding quality and enhance the profession competitive power. Before 2010, we must gradually close and eliminate the independent management salt-making enterprises which the economical scale below 100,000 ton. Through helping the object of special care and limiting poorly, we will adjust the table salt fixed point enterprise from 5 to 3 in entire province.

Meanwhile, we will advance further "the science and technology to be popular the salt" the strategy entire province. We must optimize the product structure unceasingly and continue to increase the science and technology input and the innovation work, and improve the whole operation quality and the benefit. In variety packing structural adjustment foundation, according to the request of "sub package centralization, sales network, management chain-like, the circulation allocation, management informationization", the salt industry circulation and sale enterprise must continue to advance the entire province table salt circulation structural reform and the circulation modernization. The enterprise must reduce the circulation cost and strengthen the

management to realize the benefit maximization.

Insisting that the table salt monopolizes and strengthening the market regulation and completing earnestly the salt administration law enforcement work under the new situation.

We must continue the flag of table salt monopolizing policy. According to National Development and Planning Commission's "Table salt Monopolizes Permit Policing method" (the People's Republic of China development and the reform committee 45th verbal command), we must consummate the management tool and strengthen the market supervision to guarantee the qualified iodized salt supply and the consolidated iodine deficiency sickness prevention achievement. According to "Realize in 2010 to eliminate Iodine deficiency Sickness Goal Action plan" printed and distributed by the medical department and 13 ministries and commissions, we must insist to prevent and control and fulfill the responsibility to consummate each measure earnestly legally. We must analyze the salt industry market existence comprehensively the question and strengthen with the government related department's communication prevent the illegal salt to invade sell the bounce. We must continue to pay special attention to the salt administration propaganda work, specially displays the news media the propaganda superiority. We must carry on the public to make public case the leading case which and criminal law processing ferrets out in the law enforcement process frighten the illegal crime and educate the populace. We must strengthen the administrative law enforcement standardization to construct and to advance the salt administration enforcement force the construction and the standard law enforcement behavior cease the law enforcement officials to enforce the law at will and the uncivilized law enforcement phenomenon occurrence. We must strengthen to all levels of productions and the circulation and sale enterprise's management, the surveillance, the inspection and discover

the insufficiency which and the crack by the standard respective production operation behavior in the management exists strengthen the reorganization. We must continue to pay special attention to the animal husbandry salt the management and develop the new market to cultivate the new profit point of growth unceasingly.

Strengthens the original management and supervision of producing elements, continues to complete the salt industry quality control work

According to the quality working arrangement opinion of Chinese Salt Industry Association, we will continue to advance "the quality as the king" strategy and strengthen the macroscopic quality control earnestly. We will work on and complete each link's quality control and the monitoring from the source quality work. We will raise the profession quality overall management level unceasingly. We will set up take user satisfaction as the quality specification management idea. We will establish taking the user as the central management philosophy. We will set up "the quality is the benefit, the quality is the life" and "the quality promotion, everybody has a responsibility" quality consciousness. We will strengthen the quality public education to raise all salt industry staff's quality consciousness. Through the funding investment and the technological innovation, we will unceasingly improve the craft and the equipment and promote the product quality to reach a new level again.

Studies the other provinces advanced experience and the advancement "five" the operation model

In recent years, the Chinese salt industry created and summarized many success experiences and the models in the management and operation process. The author thought through the investigation and study: The "five" models (table salt management pattern unitizing, organization flattening, management

informationization, management regionalizing, circulation increment) of Jiangsu province is very suitable to Henan reality. We should study earnestly and spread this model. Unify the table salt management pattern and reduce middle link and enhance work efficiency. According to Henan reality, we must carry on the organizational reform to the existing management and operation. We must establish the organizations in view of the purchase, sales, the physical distribution, the settlement, the administrative center link. We must provide the personnel. We should realize the unification marketing, the unification purchase, the uniform price, the unification allocation, the unification to settle accounts "five unifications" gradually. We must make the capable team to enhance the management achievements. The organization should be flattened and reduce the management link. Through the optimized management structure, salt industry companies in counties and city must rebuild the business procedure and flattening marketing procedure effectively. The present mode is provincial company→city company→county company→middle merchants→terminal customer, we should optimize this mode to city company→marketing platform→terminal customer. We must reduce the management link to control the market and the terminal customer and the marketing channel effectively. The management informationization and realizes an order form to penetrate entire service. After the suitable Henan actual management construction to be established, we must construct the informationization to manage the platform by taking the informationization method (management software's retailing, finance as support). We must realize the commercial interchange, the physical distribution, the management class integration to depend on the computer network to carry out the plan, the sale, the circulation, and the settlement work by the effective safeguards execution as soon as possible. Management regionalizing and constructs the allocation network. According to Henan facts, and considering circulation cost, sales volume and

population density factors, we must change the scattered small package centers in disorder condition in each county (city). We must break the administrative division boundary and integrate the warehouse allocation facilities. At the same time, depends on the table salt allocation center, we should construct the allocation network and realize the regional management. Realizes the circulation increment, carries on the marketing network operation. In view of original multistage allocation system, namely: Production area→salt industry company→dealer→terminal user's pattern. We must modify this model to realize second-level allocation patterns, namely: Allocation center→salt industry company→terminal user. We will solve the original allocation system with too many branches, high cost and slow speed slow. We will try to achieve the high efficiency and the high benefit goal. At the same time, in the county (city) the population and the user crowded city market and the rural market, we will use each kind of marketing channel to form the marketing network directly to the terminal, stores, chain supermarkets and salt using enterprises of group and retailers as direct supply customers.

Insisting the brand strategy and cultivating the Henan salt industry brand

Promote unceasingly the value of the enterprise brand. At present, Henan salts industry only has a brand "Weiqun". The industry salt has two brands "Haolong" and "Zhongyuan". We must promote the enterprise image and the brand value in the future, and bring "Weiqun" salt into the Chinese famous brand. Enhance the profession popularity. Through the multi-channel propagandas, the enterprise must guide the common people healthily to eat the salt to promote the enterprise product image and the brand image. At the same time, the enterprise must combine the marketing network suitably. We should serve the platform through the establishment of direct sale service and to raise the marketing network operating efficiency. We must form

the unique product sale marketing model, and transform the wholesale pattern to the chain pattern. Advancement "chain management". Through combining all levels of wholesale enterprises, the enterprise needs to consummate the retailing network. The enterprise needs to establish the Henan salt chain management handbook to promote the enterprise brand value. The chain management realizes the enterprise value added fast. The enterprise must establish and expand the channel for the non-salty management.

Establish the study type salt industry and cultivate the Henan salt industry enterprise culture

Enterprise's management idea, the value idea, the management profile formed in management and operation, are the enterprise personalization basis manifests. They are displaying an enterprise's value orientation and the utility goal and enterprise's souls. From now on, the entire province salt industry must construct study enterprise culture. Through the detailed deployment, the solid advancement, and depends upon this cultural function to drive, to impel, to inspirit and to induct, the enterprise must explore the staff potential diligently and maximum limit release staff's enthusiasm. Advocate "the study work", and develops the whole staff to study vigorously. The enterprise must improve staff's own quality, and strengthen the enthusiasm of independent study. The enterprise must develop the whole staff to study vigorously the activity. The enterprise needs to formulate the required reading list and the recommended book list separately in view of the basic unit staff, the junior level, high-level. Simultaneously the enterprise must establish activity of studying the date of every week, study the month of every year. The enterprise must convene reading meetings, and commends the outstanding ones. We should strengthen whole staff's efficiency consciousness and system consciousness and detail consciousness through readings, the enterprise may improve staff's overall quality and release staff's

enthusiasm. The staff ability should be improved with the aid of "the pyramid type" training. We should consider the reality of salt industry, and carry out different level training separately regarding the basic unit staffs, the junior level and high-level staffs. The enterprise must carry on two centralism training in all staff every year at least. We need to explain the marketing, the office automation, the safety production, the salt administration management, the business management knowledge, and enhance staff's skill continuously. We should invite the experts to teach the efficiency supervision, executive strength and the leadership strength, the innovative idea, the lecture and the eloquence, the game theory, the crisis public relations, the commercial etiquette as well as the health life idea knowledge. The enterprise must carry out actual combat's training about the terminal market construction, the customer relations management and the channel management. The enterprise must send the outstanding talent to participate in school record training about MBA, EMBA curriculum and the cross profession, the transnational study further education. The enterprise must provide the multi-ditch study school record training opportunity for various positions and various levels key persons. Carries out every kinds of theme activities, builds the harmonious atmosphere of concerning staffs. We should insist "humanist", and develop the recreational activities. For example, to carry out "love job and service industry" specific educational activity, "one family activity of manufacturing and sales enterprises" activity, "cherish life and hug future" healthy educational activity. The satisfaction can be improved by these activities. The enterprise must guide and educate the staff to enjoy themselves, to appreciate the family members, to appreciate the colleague, to appreciate work, to appreciate life. The enterprise must guide them to smile to the life and the joyful work. The enterprise needs to influence the staff sentiment to make the harmonious salt industry.