

# POLICY REVIEW

## New five-year plan for cold-chain logistics

Authorities look to develop bases, corridors to boost delivery of frozen foods and drugs

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China has rolled out its first five-year plan focused on shoring up the growth of cold-chain logistics, a move that will help meet surging public demand for quality agricultural produce, frozen foods and pharmaceuticals, officials and experts said.

The development plan, published by the General Office of the State Council on Dec 12, has put forward the target of building a cold-chain logistics network connecting production and sales areas, covering urban and rural regions and linking domestic and international markets by 2025.

The government will plan the construction of 100 national cold-chain logistics bases near areas known for major production, distribution and sales of agricultural produce, and strengthen weak links in facilities directly tied to farmers and consumers.

One focus is to bolster the national supply chains for pharmaceuticals and vaccines. The plan pledged to explore the development of ultra-low temperature deliveries and set up a cold-chain logistics network that is wide-ranging, efficient, secure and inexpensive to establish and maintain.

China will build a network of cold-chain logistics corridors that link its main city clusters and major agricultural production areas and amplify the role of key logistics bases and distributions centers.

Zhang Jiangbo, deputy director-general of the economic and trade department at the National Development and Reform Commission, told a news briefing earlier this month that China's cold-chain network currently faces a host of challenges, including the lack of large-scale logistics hubs, and a national network that has yet to be established.

"The demand for fresh food has surged with the rise in living standards of urban and rural residents," he said. "The public not only aspires to eat better, but also to eat food that is safe and healthy. That is why cold-chain logistics has gained more and more attention."

He Mingke, a professor at Beijing Wuzi University, said less than 50 percent of China's main agricultural produce supply is now transported through cold chains.

"Without cold-chain support in production areas and along key lines of transport, the quality of frozen produce is severely affected, and shelf life is significantly shortened," he said, adding that the problem is worse if there are no cold storage facilities in sales areas.

He noted that the latest plan offers a host of solutions targeting inadequacies in existing cold-chain networks, including measures to upgrade facilities in production areas, improve transportation procedures and shore up markets.

According to the plan, China will develop specialized cold-chain logistics for meat, fruits, aquatic products, dairy products, frozen foods and pharmaceuticals.

Cui Zhongfu, secretary-general of the China Federation of Logistics and Purchasing, wrote in an article recently that the latest plan maps out a clear pathway for the high-quality growth of cold-chain logistics in the new era.

A major highlight of the docu-



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ment is that it gives priority to the development of logistics facilities and delivery systems in multiple categories, improving the level of whole-chain services and reducing waste during the distribution process, he added.

China's fresh food retail market is expected to hit 5.4 trillion yuan (\$846.8 billion) this year, up 8 percent from 2020. Meanwhile, the market volume for cold-chain logistics reached 380 billion yuan last year, maintaining double-digit growth.

The green development of cold chains, a sector that consumes high levels of energy, is also key to national goals to hit peak carbon dioxide emissions before 2030 and attain carbon neutrality before 2060.

The document highlighted the need to tailor the sector's growth to tackling climate change, with measures to promote the use of green and energy-saving facilities and equipment, to minimize the use of packag-

ing materials and promote their recycling, and to accelerate emission cuts and low-carbon transitioning.

An important focal point of the plan is to ensure the emergency supply of pharmaceuticals, including vaccines. The COVID-19 vaccines developed by Chinese pharmaceutical companies Sinopharm and Sinovac require an environment of 2 to 8 C during storage and transportation.

The plan called for efforts to bring together the logistics resources of pharmaceutical companies, including vaccine makers, integrate the demand for cold chains from disease control and prevention centers, hospitals, blood stations and pharmacies, and thus better cater to the demands of the sector.

Yang Fang, a senior researcher at the Institute of Digital Economy at the Zhongnan University of Economics and Law in Wuhan, Hubei province, said a green development philosophy is a major highlight of

the new policy document, which seeks to promote the digital transformation of the sector and revolutionize its management and ways of governance.

The policy measures will help catalyze national initiatives to build a modern distribution system, carry out the rural vitalization strategy and boost domestic demand, she said.

The plan rolled out measures to hasten the digitalized, intelligent and green transformation of the cold-chain logistics sector, including steps to encourage businesses to renovate their facilities for energy conservation, and phase out the use of refrigerated trucks with high emissions.

The document also pledged to encourage leading logistics companies to play a greater role in global cold chains, offering them incentives to plan the development of facilities overseas near regions that are top producers of meat, fruits and aquatic products, and to engage in

global cold-chain logistics operations via sea, rail and air.

To shore up capacity in cross-border cold chain transportation, the plan said the China-Europe freight trains will be upgraded as a key logistics corridor between the two continents, and the role of the new International Land-Sea Trade Corridor will be expanded to cover more international rail, shipping and road transport services.

Yang said the development of an international cold-chain logistics system is even more necessary with the development of the Belt and Road Initiative and the country's expanding free-trade agreement networks.

A cold-chain logistics system that matches China's growth in international trade and commerce and commitments to bolster imports will lift its foreign trade market and serve as a pillar in its ongoing efforts to foster a new development paradigm, she said.

### Policy Digest

#### Crackdown sought on illegal mining

Chinese authorities are calling for the start of a special campaign to crack down on illegal coal mining after more than 20 people engaged in the crime were trapped by flooding in Shanxi province on Dec 15.

During a national video conference held on Dec 16, the Office of the Work Safety Commission of the State Council and the Ministry of Emergency Management stressed the importance of drawing lessons from recent accidents and mandated the reinforcement of measures to guarantee safe production in coal mining and other key sectors.

Conference participants said that while demand is high, the country's coal-producing regions must take responsibility for preventing the theft of mineral resources and for the illegal reopening of mines that have been shut down.

#### Recyclable wrapping campaign to expand

China will carry out a pilot program to expand the use of recyclable delivery packaging between January 2022 and December 2023, according to a notice jointly issued by the National Development and Reform Commission, the Ministry of Commerce and the State Post Bureau.

E-commerce platforms should encourage vendors to use recyclable packaging that has obtained green certification, and establish an information sharing mechanism with parcel delivery companies to remind customers they have the option to choose this type of packaging.

The program aims to raise awareness of the use of recyclable packaging and to promote handy, low-cost and low-carbon packaging products.

The notice said that the pilot program will be evaluated at the end of 2023.

#### Residential upgrades to benefit seniors

China will increase efforts to create a senior-friendly environment by renovating aging urban residential communities, adding elevators and accessibility facilities, the Ministry of Housing and Urban-Rural Development said.

Wang Ke, a ministry official, said at a news conference on Dec 9 that since 2019, more than 20,000 elevators have been installed during renovations across the country, and nearly 30,000 facilities to help seniors have been added or improved.

The ministry will now push for more accessible facilities for seniors in their communities as well as at more outside sites and venues, Wang said.

It will also promote the renovation and ease of use of aging homes by installing elevators and creating barrier-free environments so that seniors can go out and participate in social activities more easily, he added.

MO JINGXI

## Pilot program aims to attract more foreign investment, talent

By XU WEI

China's latest pilot program to improve its business climate entails more measures to attract foreign investment and talent, including streamlining job certification, more efficient mechanisms to settle legal disputes and making it easier to enroll children in school.

The program, rolled out in a policy document issued by the State Council last month, outlined a host of measures to upgrade business-related administrative services in

six cities — Beijing, Shanghai and Chongqing, as well as Hangzhou in Zhejiang province, and Guangdong province's Guangzhou and Shenzhen.

The program marked the latest national efforts to tailor the country's business environment to international standards and will offer foreign citizens, especially entrepreneurs, a better business and living experience in China, said Ma Liang, a professor of public management at the Renmin University of China.

"It will provide foreign businesses

and expats more convenient, efficient and tailored public services," he said.

The six cities will offer diversified, efficient and convenient services to foreign businesses looking to settle disputes, including measures to develop centers that provide one-stop services.

Dispute resolution organizations and arbitration bodies will be encouraged to hire foreign mediators and arbitrators as part of the program.

The six cities will also explore ways to set standards for the certi-

fication of top-notch talent, especially those that are severely lacking nationwide. Local authorities will also pilot the establishment of a mechanism that allows expats to practice certain professions on the condition that they have already obtained the relevant qualifications or certificates overseas or from universally recognized international organizations.

The government will consider establishing an evaluation system for talent that is in line with international rules, the policy document said.

It added that the level of service from the international versions of government web portals will be upgraded to help expats better understand investment opportunities, employment and other policies.

Under the program, the government will widen market access for operators of schools for foreign children and allow domestic businesses and Chinese citizens to open schools for them.

Authorities will also increase administrative approval for procedures concerning expats as part of

one-stop online services, the document said.

A level playing field is a key goal of the program, which pledged to offer the same treatment to businesses, whether they are domestic or foreign.

For example, Yang Jie, head of the Department of Laws and Regulations at the National Development and Reform Commission, told a news briefing last month that a more transparent, standardized and efficient mechanism for project bidding, which would require the release of bidding plans before projects can commence, will be developed to ensure that foreign and domestic businesses are treated equally.