

Logistics hubs provide route to more growth

Greater efficiency in transporting goods will help reduce costs and enhance market vitality

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China has decided to build a number of key hubs for the logistics sector and improve its efficiency and information-sharing as part of efforts to substantially reduce the ratio of overall logistics costs to GDP, and build a modern logistics system.

The decision was made at an executive meeting of the State Council, the Cabinet, which was presided over by Premier Li Keqiang on Wednesday.

Four measures were released in a statement after the meeting, including key hubs to be built in cities that have geographic and industry advantages, and the standardization of transfer, unloading and storage of goods.

Entities running such hubs will be supported in issuing bonds or going public. Meanwhile, the sector will further open up as private and foreign capital is welcome in the construction and working of the hubs.

The market is expected to play a bigger role in integrating existing facilities, such as logistics parks, to strengthen information sharing and more intensive use of such amenities.

New models, including supply-chain logistics, express delivery and e-commerce, will be boosted for the smart, green and highly efficient development of the sector.

Li said at the meeting that logistics costs should be lowered to stimulate market vitality and improve national competitiveness, and a clear target should be set in building logistics hubs to ensure a substantial decline in the ratio of logistics costs to GDP.

The government should increase input in railways and highways in the construction of logistics hubs, and the market should play the role it is designed for instead of being restricted by rigid planning, the premier said.

According to the China Federation of Logistics and Purchasing, the nation's overall logistics costs hit 131 trillion yuan (\$18.9 trillion) in the first half of this year,

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an increase of 6.9 percent compared with the same period last year.

The average utilization rate for internet-enabled vehicles is 50 percent higher than those deployed by traditional transport companies, with the average waiting time for cargo being reduced by eight to nine hours. Average costs for internet-based vehicles were 6 to 8 percent lower than traditional ones.

These figures showed the advantages of emerging areas of the logistics sector.

Meanwhile, the number of express deliveries reached 22 billion in the first six months, up by 27.5 percent compared with the same period in 2017, according to the State Post Bureau. The rapid growth of express delivery also demonstrated the online shopping and demands a faster-response mechanism.

However, Liu Xiaonan, an inspector in the department of economy and trade at the National Development and Reform Commission, said at a national meeting on logistics innovation in April, that China's logistics industry was not strong with its high costs and low efficiency. He also said the industry is being challenged by information isolation while central and western China, and rural areas lag behind in logistics infrastructure.

Improvement of the logistics sector can play a vital role in promoting consumption, production and international trade, Liu Dacheng, deputy dean of the Internet Industry Research Institute at Tsinghua University, was quoted as saying by the newspaper Economic Information Daily. Smart logistics should be built to connect all stations and provide services that are more efficient, with lower costs and faster response, he said.

Wu Qi, a senior researcher at the public policy think tank Pangoal Institution, said developing a modern logistics system

should balance efficiency and profit, and development and environmental protection, while integrating the roles of government and market.

A system for logistics hubs should be built to enhance standardization for the

industry and break information isolation within the sector, which can help to make a green, smart and standardized industry, Wu said. It means all existing facilities should be integrated with each other to raise information sharing, he said.

In addition, the government should further administrative streamlining to make access easier, reduce costs for logistics companies and create a more inviting environment for domestic and foreign investments, Wu added.



SHI YU / CHINA DAILY

POLICY RESPONSE

Schools, swine fever are key topics

By XU WEI
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Several ministry-level departments, including education, agriculture and rural affairs, and the General Administration of Customs, have responded recently to issues of public concern.

After-school training in focus

The Ministry of Education said on Nov 21 that an online management platform will be launched to step up oversight of after-school training institutions across the country.

Information about licensed after-school institutions that offer training programs for primary and middle school students will be available on the platform, the ministry said in a statement.

The ministry requires local authorities to use the platform to complete the investigation and rectification of training institutions with various problems and make public relevant policies.

The platform will enable education authorities nationwide to blacklist poorly managed institutions, help the public learn information regarding training institutions and take public complaints on board, said the ministry.

As of Nov 15, the country has examined 401,050 after-school education institutions in a national campaign, among which 272,842 were found to have problems and 163,203 made rectifications, the ministry said.

Swine fever under control

An official with the Ministry of Agriculture and Rural Affairs said on Friday that African swine fever has been put under effective control even though 74 outbreaks have been confirmed in 20 provincial areas.

About 600,000 pigs had been culled by Nov 22 since the first outbreak was confirmed in Shenyang, capital of Lia-

oning province, in August, Feng Zhongwu, deputy head of the ministry's animal husbandry and veterinary department, said at a news conference.

Feng said the outbreak is at stable levels and has been generally under control, adding that quarantines have been lifted in 24 areas in seven provinces, including all affected areas in Henan and Jiangsu provinces.

The ministry has banned the feeding of pigs with kitchen waste since the end of August, and has ramped up its supervision over the transport of live pigs, as research showed 46 percent of outbreaks have been caused by people or vehicles carrying and spreading the disease.

Solid waste crackdown launched



The General Administration of Customs said on Nov 20 that it has investigated 412 cases of smuggling solid waste into the country and arrested 576 suspects in the first 10 months of this year.

The administration said in a statement that over 1.46 million metric tons of solid waste had been seized by the authority over the 10-month period as part of its efforts to ban low-grade trash imports into the country.

China has banned imports of 24 types of solid waste, including plastics and paper, and has imposed tough quality restrictions on other recyclable materials since the beginning of this year.

The list will be extended to include 32 types of solid waste, such as hardware,

ships, auto parts and scrap stainless steel, titanium and wood, according to the administration.

Green sector gets major boost

China will step up its land greening efforts and boost domestic ecological resources, according to a plan released on Nov 20.

The plan, released by the National Forestry and Grassland Administration, said the country will increase its forest coverage ratio to 23.04 percent by 2020, while the volume of forest resources will expand to 16.5 billion cubic meters.

The country also aims to raise its vegetation coverage ratio of grassland to 56 percent by 2020, and rehabilitate 10 million hectares of desertified land during the period.

According to the plan, the country will push forward ecological restoration projects, encourage public participation in the greening campaign and increase the protection of natural forests and grasslands.

The plan was released as the country's devotes greater efforts to push forward environmentally friendly development, with measures rolled out to ban grazing on degraded grasslands, increase financial input, and step up law enforcement in the sector.

Since 2012 China's desertified land has shrunk by 10 million hectares and a total of 339,000 hectares of forests have been planted, according to the administration.



Policy digest

Cross-border e-commerce upgrade

China will continue with current policies on retail imports and exports via cross-border e-commerce, according to a decision made at a State Council executive meeting on Nov 21.

The meeting, chaired by Premier Li Keqiang, decided that the current policies on cross-border e-commerce retail imports will remain unchanged from January 2019. The policies, which require no licensing, registration or record-filing for first-time imports, will apply to retail imports through cross-border e-commerce platforms. Instead, these goods will see more relaxed regulations under imports for personal use.

Meanwhile, the implementation of this policy will be extended from 15 cities to another 22 cities that have just established comprehensive cross-border e-commerce pilot zones.

Goods included in the cross-border e-commerce retail imports list have so far enjoyed zero tariffs within a set quota and had their import VAT and consumer tax collected at 70 percent of the statutory taxable amount. Such preferential policies will be extended to another 63 tax categories of high-demand goods, according to a decision taken at the meeting.

It was also decided at the meeting that the quota of goods eligible for the preferential policies will be raised from 2,000 yuan to 5,000 yuan (\$288 to \$720) per transaction, and from 20,000 yuan to 26,000 yuan per head per year. This quota will be further adjusted as needed in light of increases in personal incomes. At the same time, the authorities will refine export-tax rebate policies in line with international practices to further boost exports via cross-border e-commerce.

The meeting also highlighted the importance of ensuring that cross-border e-commerce businesses, online platforms and payment and logistics service providers assume their responsibilities required by law. Product quality, safety inspection and risk prevention and control should be strengthened for fair competition in the marketplace and better protection of consumer rights and interests.

Innovation plan for free trade zones

The State Council unveiled a variety of measures on Friday to boost reform and innovation at its pilot free trade zones.

The Cabinet said in a notice that developing pilot FTZs was a strategic move by central



authorities to deepen overall reform and widen opening-up, and the country must further capitalize on the role of pilot zones as experimental fields of reform and opening-up.

The notice includes 53 measures covering areas that aim to improve the investment environment, further trade facilitation, promote financial innovation to better serve the real economy and support more exploration in human resources.

Restrictions on the percentage of foreign technicians will be relaxed for foreign investment in construction project design companies. Approvals for foreign investors setting up construction-related businesses will be delegated from provincial authorities to pilot FTZs, according to the notice.

Foreign carriers will be allowed to offer passenger and cargo services from Zhengzhou, Henan province, and Xi'an, Shaanxi province, both capitals of provinces with pilot FTZs, to other countries, the notice said.

One-stop services for international trade will also cover freight shipping bills for air and railway service. Medical institutes within pilot FTZs will be able to conduct research programs in cutting-edge technologies related to stem cells. Also, taxation services in line with international standards will be rolled out at pilot FTZs, according to the notice.

Twelve new measures covering securities, insurance and banking services will also be adopted in the FTZs.

The notice gives the green light to qualified FTZs to launch pilot schemes for intellectual property rights securitization. Banks in free trade zones will be allowed to conduct yuan derivative businesses on behalf of overseas institutions, and qualified individuals will be allowed to invest in overseas securities directly in the pilot regions, according to the notice.