

Sino Nordic Business Development Center **NEWSLETTER VOL3-2020**

Joint Statement for India-Denmark Green Strategic Partnership

Her Excellency Ms. Mette Frederiksen, Prime Minister of the Kingdom of Denmark and His Excellency, Mr. Narendra Modi, Prime Minister of the Republic of India, co-chaired a Virtual Summit between India and Denmark on 28 September 2020.

The two sides held an in-depth exchange of views in a warm and friendly atmosphere on bilateral relations, discussed the Covid-19 pandemic and global matters of interest to both sides, including climate change and green transition and reached common understanding with a view to accelerating sustainable economies and societies.

They further noted with satisfaction the continued development of bilateral relations based on historical links, common democratic traditions and shared desire for regional, as well as international peace and stability.

Given the shared desire to remain trusted partners, the two Prime Ministers agreed to elevate India-Denmark relations to a Green Strategic Partnership. This partnership would build on and consolidate the existing agreement establishing a Joint Commission for Cooperation (signed 6 February 2009) between India and Denmark which envisaged cooperation within the political field; economic and commercial field; science and technology; environment; energy; education and culture. In addition, it builds on and complements the existing Joint Working Groups on Renewable Energy, Urban Development, Environment, Agriculture and Animal Husbandry, Food Processing, Science, Technology and Innovation, Shipping, Labour Mobility and Digitization.

The Green Strategic Partnership is a mutually beneficial arrangement to advance political cooperation, expand economic relations and green growth, create jobs and strengthen cooperation on addressing global challenges and opportunities; with focus on an ambitious implementation of the Paris Agreement and the UN Sustainable Development Goals.

The two Prime Ministers acknowledged the importance of establishing the Green Strategic Partnership, under which India and Denmark will cooperate through relevant Ministries, institutions and stakeholders.



Energy and Climate Change

The two Prime Ministers confirmed the close partnership in addressing global challenges and solutions on green energy transition and climate change. The Strategic Sector Cooperation on offshore wind and renewable energy, as well as the India-Denmark Energy Partnership (INDEP) on capacity building, knowledge-sharing and technology transfer on wind energy; energy modeling and integration of renewable energy illustrate the shared commitment to address some of the common global challenges on the path towards global energy transition, green growth and sustainable development. The two sides envisage the energy partnership to be further strengthened over the coming years.

India and Denmark agree to be at the forefront in the global fight against climate change. Both countries have set very ambitious national targets on climate and energy that will contribute to an ambitious implementation of the Paris Agreement. Together, the two countries will show the world that delivering on ambitious climate and sustainable energy goals is possible.

The two countries agreed to hold regular consultations and dialogue on climate change and renewable energy at various levels.

Environment/Water and Circular Economy

The two Prime Ministers agreed to work towards further expanding and strengthening the existing Government-to-Government cooperation on environment/water and circular economy. They further agreed to cooperate in water efficiency and non-revenue water (water loss) and in this context tasked the Indian Ministry of Jal Shakti and the Danish Environmental Protection Agency and the Danish Ministry of Environment and Food to develop a Work Plan for an initial period of three years (2021-23).

The two Prime Ministers expressed their joint wish to enhance cooperation in the specific areas of water supply, water distribution, wastewater treatment, sewerage systems, re-use of treated wastewater, water management and energy optimization in the water sector through the Indo-Danish Water Technology Alliance.

Sustainable Urban Development including Smart Cities

Both sides noted the holding of 2nd India-Denmark JWG on Sustainable Urban Development virtually on 26 June, 2020 and agreed to strengthen bilateral cooperation in sustainable urban development, including in smart cities through the Urban Living Lab in Goa.

Both sides also agreed to strengthen existing City-to-City cooperation between Udaipur and Aarhus and Tumakuru and Aalborg.

They noted that Danish companies are contributing to designing infrastructure projects in India and welcomed greater engagement of Danish side in all fields of sustainable urban development.

Business, Trade and Shipping

The two Prime Ministers welcomed the idea of developing partnerships between Governments, institutions and businesses of the two countries with special focus on green and climate-friendly technologies. They recognized the importance of regulatory framework conditions to support public and private investments in green energy.

Both leaders appreciated the deep cooperation on maritime affairs and noted the potential for enhancing cooperation in ship-building and design, maritime services and Green shipping, as well as port development.

The two Prime Ministers underlined that they would encourage business delegations, market access activities for SMEs and enhance ease of doing business.

India and Denmark confirmed the emerging cooperation in Intellectual Property Rights, which will help to modernize and strengthen their national intellectual property systems to promote innovation, creativity and technological advancement.

Science, Technology, Innovation and Digitization

India and Denmark recognize the importance of promoting and facilitating investments in science, technology and innovation (STI) via strong public-private partnerships as an important way to accelerate technology development and the implementation of new solutions. Collaboration in STI supports the Green Strategic Partnership by promoting and strengthening relations between authorities, small and large companies and research and higher education institutions in India and Denmark. The two sides agree to build on existing strong bilateral STI partnerships with joint calls for projects in areas such as energy, water, bio-resources and ICT.

The two leaders recognized their shared interest in digitization and digital solutions and business models in the green transition and decided to collaborate for enhancement of development, innovation and demonstration in the field of digital technologies to support green sustainable growth.

Food and Agriculture

Given the immense potential to collaborate in the agricultural sector, the two Prime Ministers encouraged fostering deeper and closer cooperation between authorities, businesses and research institutions in the sectors of food processing and food safety, as well as animal husbandry and dairying.

Health and Life Science

Both sides emphasized the potential and their common desire to strengthen the dialogue and cooperation in the health sector. They confirmed their interest in expanding dialogue and sharing best practices on health policy issues, including on epidemics and vaccines, especially to combat Covid-19 and future pandemics. They agreed to work on expanding commercial opportunities for businesses by creating more favorable environments for the life science sector, including research collaborations.

Cultural Cooperation, People-to-People contacts and Labour Mobility

The two Prime Ministers acknowledged that the richness of the relationship between India and Denmark is a result of the long standing people-to-people contacts and agreed to further promote greater awareness and mutual understanding between the peoples of the two countries through cultural cooperation.

Both sides agreed to examine the possibilities for labour mobility, as well as to consider ease of travel between the two countries to facilitate greater people-to-people interaction and strengthen cooperation in the tourism sector

Multilateral Cooperation

The two Prime Ministers agree to join efforts and initiatives to support and promote a rule-based multilateral system. This includes strong multilateral cooperation to face the urgency to step up global efforts to combat the global challenges on energy and climate change and common commitment to the International Energy Agency, the International Renewable Energy Agency and the International Solar Alliance.

Both sides supported the need for cooperation on promotion of an open, inclusive and rule-based multilateral trading system under the WTO at its core to promote global growth and sustainable development.

Both sides expressed their support for the ongoing discussions to reform the WTO. Both sides reaffirmed their determination to strengthen cooperation and contribute for comprehensive reforms of the WTO. Both sides agreed that the reforms need to be inclusive and to be carried out in a

transparent manner, high priority being restoration of a full strength Appellate Body as part of the two-tiered Dispute Settlement System of the WTO.

Both sides expressed their commitment for working towards an ambitious, fair, and mutually beneficial Trade and Investment Agreement between EU and India to further strengthen and deepen the EU-India ties.

Both sides agreed that the Arctic Cooperation within the framework of Arctic Council has a global dimension and is essential for addressing the need of environmental protection and combating climate change. In this spirit, both sides expressed their willingness for collaboration within the framework of the Arctic Council in the area of climate change.

The two leaders acknowledged the shared values of human rights, democracy and rule of law and agreed to cooperate in multilateral fora to advance democracy and human rights.

CONCLUSION

The two leaders expressed their conviction that a decision of the two countries to establish Green Strategic Partnership between the Kingdom of Denmark and the Republic of India has opened a new chapter in the friendly and cooperative relations between them.

Ambitious goals and actions will be identified within the areas and outlined in an Action Plan that will be worked out and endorsed as soon as possible.

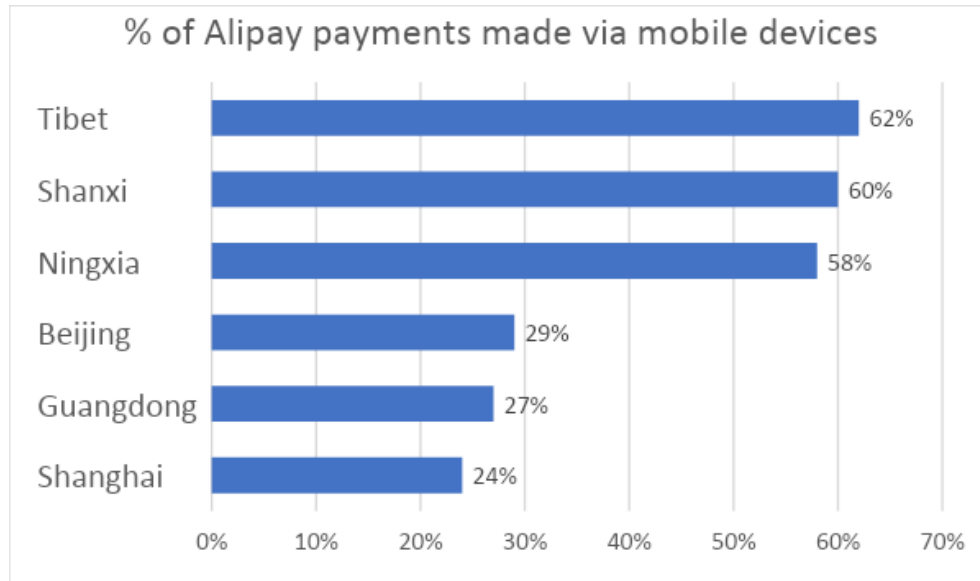
Source: <https://smeventure.com/joint-statement-for-india-denmark-green-strategic-partnership/>

The World Economic Forum: How China's digital farmers can grow a post-COVID-19 future

At the beginning of 2020, China's central government announced plans to pilot a "digital village". It's the country's latest push towards a "Digital China" since the information consumption policy of

2013, which promotes the use of information technology to stimulate more domestic consumption, leading to a boom in the mobile internet-driven economy.

According to the China Internet Network Information Center (CNNIC), as of March 2020, China had the world's largest online population (903 million people) with the percentage of those using mobile



phones to go online exceeding 99%. For many people in China, especially in rural areas, a consumer's first internet experience is often via mobile rather than desktop. In fact, farmers have been quick to adopt a digital lifestyle, using mobile payments and online video entertainment. In some areas, the extent to which villagers are connected to the internet is greater than in large cities.

Tibet and Remote Provinces Leading Mobile Payments (Data: Alipay 2014)

Mobile payment is more popular – to the surprise of many – in China's underdeveloped western regions than its coastal cities. As early as 2014, the Tibet autonomous region led the country in mobile payment adoption, which was followed by the remote provinces of Shanxi and Ningxia. In these provinces, a higher percentage of the online transactions were paid by consumers with mobile devices, way ahead of the cosmopolitan cities of Beijing and Shanghai.

In the following years, Tibet remained at the top of the ranking and in 2016 was the first province to reach a mobile payment rate of 90%. The reason is quite understandable: there is a lack of bricks-and-mortar retail infrastructure and a banking system in those regions, so the people there turn to online shopping and mobile payment more frequently for the products they try to find.

In more recent years, the mobile internet and digital technologies have had a profound impact on China's rural economy:

1. More farmers can become e-commerce entrepreneurs. In China, mobile internet creates jobs in rural areas, turning farmers into online vendors. For example, Chinese fruit farmers used to sit and wait on the side of the roads for buyers, but few motorists stopped to buy because most traffic had moved to newly built motorways. The farmers frequently had to dump rotten grapes and oranges on the roadside. Now a rural entrepreneur only needs to have a 20 m² space, a second-hand computer (or, even better, a smartphone) and a basic internet connection to become a global retailer.

When new channels are created to transport farm products to cities, every farmer can be an online merchant as the demand in cities for fresh, safe agricultural products grows rapidly – a trend expedited by the COVID-19. With social media messaging and payment infrastructure provided by major platforms including Alibaba and Tencent, farmers can easily handle large trade volumes for customers from every corner of China and even reach global markets.

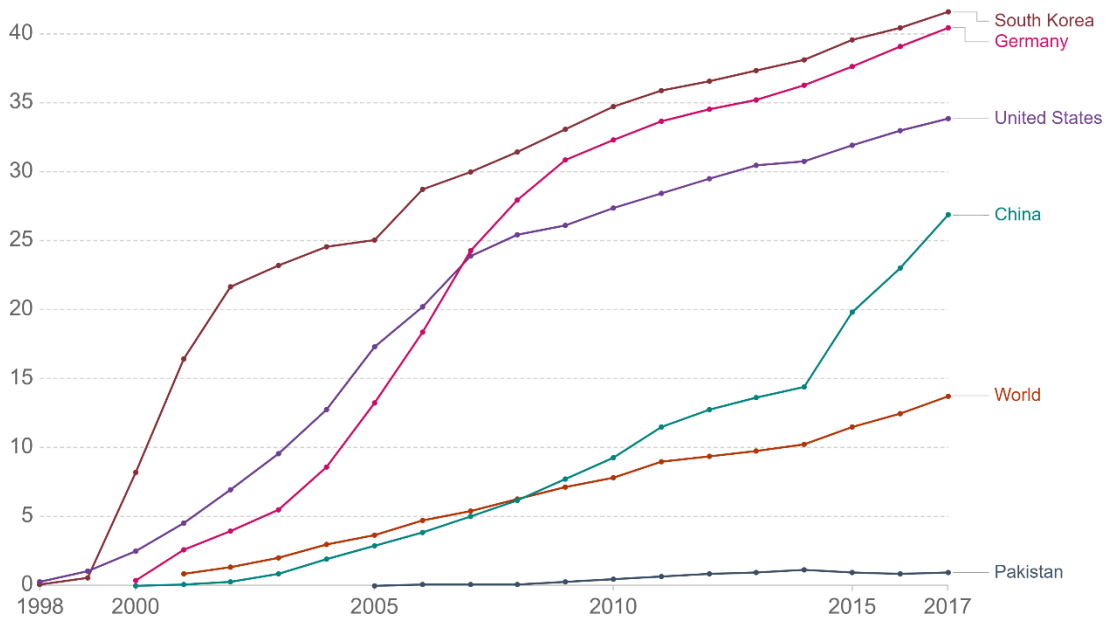
2. Digital infrastructure upgrades continue to bring more digital tools to farmer entrepreneurs. During the 2020 coronavirus pandemic, Chinese small merchants – including many with little or no previous online presence – have flocked to video streaming to boost sales at a time consumer habits are changing faster than ever.

Interestingly, selling local products via livestreaming on ecommerce channels is gaining strong momentum in rural markets. This is partly because new media platforms have an abundance of easy-to-use video tools meaning farmers can conveniently add videos to their marketing. In addition, live streaming provides an instant and interactive way for Chinese consumers who enjoy the novelty of discovering locally grown or made products from rural villagers.

Broadband subscriptions per 100 people, 1998 to 2017

Broadband subscriptions refer to fixed subscriptions to high-speed access to the public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kbit/s.

Our World
in Data



Source: World Bank

Note: For more details on the definition see the sources tab.

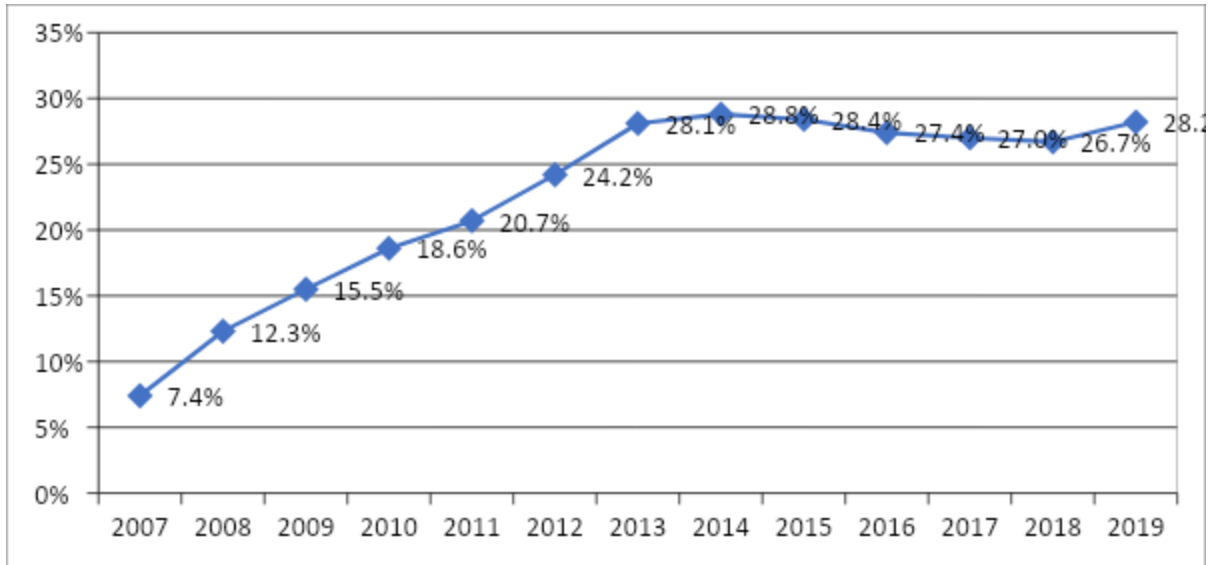
OurWorldInData.org/internet/ • CC BY

Growth in broadband subscriptions (Image: Our World in Data)

3. Digital technologies are transforming traditional agriculture industry models and making farming business more profitable. For historical reasons, China has relatively less arable land per capita, unlike countries like the US, where large-scale farms are prevalent and the production and transportation of agricultural products could be highly industrialized. In China, farmers can go to social e-commerce platforms, such as Pinduoduo, where the aggregated user interests and demand could be relayed to them and they can adjust their production and sales plans accordingly.

The farmers can use those platforms to aggregate larger volume orders for their products. The large demand helps the farmers to be less dependent on distributors and makes it possible for them to sell directly to consumers. Meanwhile, the digital platforms can develop robust user profiles to provide information about market demand that was previously inaccessible to farmers. As a result, farmers can earn more thanks to lower distribution costs and larger orders. (This is known as the “C2M” or consumer-to-manufacturer model.)

However, the country still has hundreds of millions of non-users – mostly villagers – to convert. Indeed, China’s internet penetration rate had reached just 64.5% by March 2020, which puts the country only modestly ahead of the world average. Furthermore, the growth in connections has tapered off in recent years in large part because penetration in rural areas is significantly behind that of the cities.



Internet Users in Rural Areas as % of total Internet Population in China

As such, future internet penetration in rural China will require substantial investments in the network infrastructure in remote areas and the “digital village” initiative provides the financial and organizational support from the central government. When integrated into the digital system, the once unconnected are not merely first time online entertainment consumers and mobile payment users; they can become mobile economy entrepreneurs themselves.

Therefore, China’s pilot “digital village” may also become a valuable reference for the world to close the digital gap. When governments across the continents focus on the digital transformation of their rural economy, the farmers may generate new productivity that is much needed by the pandemic-stricken global economy.

Source: <https://www.weforum.org/agenda/2020/10/how-digital-farmers-in-china-can-grow-a-post-covid-19-future/>

Ministry of Agriculture and Rural Affairs: The 14th Five-Year Plan will increase investment in six major areas

On October 27, the State Council Information Office held a press conference on the major achievements in agricultural and rural development during the 13th Five-Year Plan period. Liu Huanxin, vice minister of the Ministry of Agriculture and Rural Affairs, said that the Ministry of Agriculture and Rural Affairs is organizing the preparation of the "14th Five-Year" agricultural and rural development plan, actively planning and implementing a number of basic, long-term, and strategic agricultural major projects, focusing on high-standard farmland and modern Seed industry, warehousing and fresh-keeping cold chain logistics facilities, digital agriculture and rural areas, animal and plant disease prevention and control, major scientific infrastructure, etc., increase investment and strengthen the support of modern agricultural facilities and equipment.



Increased investment in the primary industry.

During the "Thirteenth Five-Year Plan" period, the Central Government's No. 1 document made specific arrangements for five consecutive years, continued to increase investment in agricultural infrastructure construction, and implemented a large number of major construction projects, which led to a significant increase in fixed asset investment in the primary industry.

According to data from the Ministry of Agriculture and Rural Affairs, from 2016 to September 2020, the cumulative fixed asset investment in the primary industry reached 8.64 trillion yuan, which was 1.66 times that during the "Twelfth Five-Year Plan" period. In addition, the Ministry of Agriculture and Rural Affairs promoted the acceleration of the issuance of local government special bonds for agricultural and rural areas. From January to September, a total of 120.2 billion yuan has been issued, effectively broadening the investment and financing channels for agricultural and rural areas.

In terms of high-standard farmland construction, by the end of the "13th Five-Year Plan" period, the task of building 800 million mu of high-standard farmland with guaranteed yields due to droughts and floods, high and stable yields will be completed, and the per mu grain production capacity will increase by about 100 kg. Carry out the protection and improvement of cultivated land fertility, strengthen the protection and utilization of black land in Northeast China, and start the treatment of degraded cultivated land. In 2019, the national average grade of cultivated land reached 4.76, which is an increase of 0.35 grades from 2014. The construction of high-efficiency water-saving irrigation facilities in agriculture was accelerated, and the effective utilization coefficient of farmland irrigation reached 0.559.

Liu Huanxin introduced that the country's ability to guarantee the production of improved varieties has been significantly improved, the modern seed industry's "chips" have continued to innovate and breakthroughs, and the new round of major crops has achieved remarkable results. The area of independent breeding varieties exceeds 95%, and China's grain is mainly used for Chinese varieties.

In terms of agricultural mechanization, the total power of agricultural machinery across the country has reached 1.028 billion kilowatts. 453 demonstration counties have been built for the mechanization of the production of major crops. The mechanization rate of crop cultivation and harvesting exceeds 70%, and the mechanization rate of animal husbandry and aquaculture has reached 34% and 30 respectively %. "Agricultural mechanization is extending from the cultivation and harvesting process to plant protection, straw treatment, and drying." Liu Huanxin said.

Regarding the transformation of breeding facilities, the current large-scale rate of livestock and poultry breeding has reached 64.5%, and the supporting rate of manure treatment facilities for large-scale breeding farms has reached 93%. The proportion of large-scale dairy farming reached 64%, and more than 5,400 national-level healthy aquatic breeding demonstration farms were created.

Promote modernization

Wei Baigang, chief economist of the Ministry of Agriculture and Rural Affairs, said that at present, the 7 areas and 59 key tasks defined in the rural revitalization strategic plan are progressing smoothly, and 82 major projects, major actions, and major plans are progressing in an orderly manner. The revitalization of the countryside has started well. At present, it has basically formed a work situation with planning first and cascading progress. The Ministry of Agriculture and Rural Affairs has successively carried out ministry-province cooperation with developed eastern coastal provinces such as Zhejiang, Guangdong, Jiangsu, and Shandong, and promoted the advanced coastal areas and other qualified areas to take the lead in realizing agricultural and rural modernization.

Huatai Securities believes that the construction of agricultural infrastructure and the cultivation of agricultural modernization technology during the "14th Five-Year Plan" period will be an important focus for ensuring food security. To ensure food security, we need to pay more attention to starting from the supply side, focusing on increasing output and ensuring the stability of the supply system. On the one hand, it is necessary to further increase the utilization rate of arable land to ensure sufficient arable land; on the other hand, it is necessary to focus on improving the level of agricultural modernization, reducing labor costs, and increasing the yield per unit area.

China Securities Investment Research report shows that agriculture is currently facing major bottlenecks such as tightening of resources, prominent environmental problems, degradation of the ecosystem, and quality and safety of agricultural products. My country has reached a critical stage of green ecological transformation, and the abuse of pesticides and fertilizers are the two major sources of agricultural ecological problems. Since 2015, the Ministry of Agriculture and Rural Affairs has promoted the reduction of fertilizers and pesticides to increase efficiency, and the goal is to reach 40% of fertilizers and pesticides by 2020.

CITIC Construction Investment expects that the "14th Five-Year Plan" will continue to focus on quality development and green development, resolve the resource and environmental pressures faced by agricultural production through technological upgrading, implement new development concepts under the "dual cycle" pattern, and promote green agriculture Development and structural reforms on the agricultural supply side. "The demand for ecological agricultural technology and services will expand rapidly, and at the same time, enterprises that produce under the green ecological model are expected to receive more policy incentives and government support."

It is worth mentioning that the cold chain logistics market has been growing steadily as the demand for online shopping of fresh food and agricultural and sideline products has increased. According to the research report of Zhongtai Securities, as of 2019, the scale of the cold chain logistics market has reached 339.1 billion yuan, a year-on-year increase of 17.5%. In 2020, the scale of the cold chain logistics market may exceed 400 billion yuan.

Source: https://www.sohu.com/a/430259692_805796

The Landing Policies Continues to Exert Force, Steel Structure Prefabricated Houses Usher in Rapid Development

Since July this year, a number of documents on the advancement of prefabricated and steel structures have been released. On July 7, the Ministry of Housing and Urban-Rural Development issued the "Opinions on Vigorously Developing Steel Structure Buildings (Draft for Solicitation of Comments)", which aimed at large, mega and large cities as the focus, to vigorously promote steel-

framed public buildings, actively and steadily promote the construction of steel-framed residential and agricultural housing, and proposed that the pilot provinces of steel-framed housing should increase the promotion of the application of steel structure in the field of high-rise housing, agricultural housing construction, reconstruction of old and dilapidated housing.

On July 24, the Ministry of Housing and Urban-Rural Development jointly issued the "Green Building Creation Action Plan", which proposed: vigorously develop steel structures and other prefabricated buildings, and new public buildings should adopt steel structures in principle.



On July 29, the Ministry of Housing and Urban-Rural Development and other 13 departments jointly issued the "Guiding Opinions on Promoting the Coordinated Development of Intelligent Construction and Building Industrialization", which pointed out: vigorously develop prefabricated buildings, promote the construction of digital design systems, implement integrated design, actively apply autonomous and controllable BIM technology, and specify the development goals for 2025 and 2035.

On September 4, the Ministry of Housing and Urban-Rural Development and other eight ministries and commissions jointly issued the "Opinions on Accelerating the Industrialization of New Constructions", proposing to speed up the industrialization of new buildings and promote the overall transformation and upgrading of the construction industry with new construction industrialization.

Two Departments Jointly Issued a Document: Government Procurement Projects Support Green Building Materials, and Pilot Cities Announced

On October 22, the Ministry of Finance and the Ministry of Housing and Urban-Rural Development issued the "Notice on Government Procurement Supporting Green Building Materials to Promote the Pilot Work of Building Quality Improvement", requiring measures such as strengthening procurement demand management to effectively increase the proportion of green buildings and green building materials in government procurement projects. The pilot cities are Nanjing, Hangzhou, Shaoxing, Huzhou, Qingdao, and Foshan, and the pilot period is 2 years.

Source: http://www.ccg.gov.cn/zcfg/mof/202010/t20201021_15271490.htm

Ministry of Housing and Urban-Rural Development: GB50016 "Code for Fire Protection in Building Design" will be revised soon

Recently, the Ministry of Housing and Construction released GB50016 "Building Design Fire Prevention Code" 2020 Annual Exposure Draft, the document clarifies the technical requirements on children's playgrounds, civil buildings with building height greater than 250 meters and high-rise wood-framed buildings for fire prevention, the revised content will be used in conjunction with the 2018 edition and implemented together.

Source: https://www.sohu.com/a/429571561_675933

The Ministry of Housing and Urban-Rural Development and the Central Bank "Interviewed" 12 Real Estate Companies, Financing Will be Regulated

On August 20, the Ministry of Housing and Urban-Rural Development and the People's Bank of China held a symposium on key real estate companies in Beijing. The 12 real estate companies participating were Country Garden, Evergrande, Vanke, Sunac, Zhongliang, Poly, Xincheng, China Overseas, Overseas Chinese Town, Greenland, China Resources and Sunshine City.

It is reported that the clear financing management rules are the "three red lines" that have been rumored many times in the industry: the asset-liability ratio of the real estate enterprise after excluding the advance payment shall not exceed 70%; the net debt ratio of the real estate enterprise shall not exceed 100%; "Cash short debt ratio" is less than 1. In addition, whether the land-to-sales ratio is too high and the operating cash flow will also be important indicators for the regulatory agencies.

Source: <http://news.officese.com/2020-9-3/102633.html?WebShieldSessionVerify=loKsV0FLAp5YOLnS1og>