

POLICY REVIEW



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Cabinet backing for e-commerce exports

46 new pilot zones to be established to help counter pandemic's impact on foreign trade

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The State Council pinpointed cross-border e-commerce as a new pillar for China's foreign trade sector as it rolled out measures to establish 46 new pilot zones to counter the blow dealt to world trade by novel coronavirus pneumonia.

The Cabinet said after its executive meeting on April 7 that the unique edge of cross-border e-commerce must be honed as traditional foreign trade sectors are hit hard by the pandemic.

The 46 new cross-border e-commerce pilot zones will be in addition to 59 existing ones. Businesses in such zones enjoy preferential policies such as exemptions on value-added and excise taxes on retail exports.

China is also weighing measures to include cities hosting the zones in a pilot program focusing on retail

e-commerce imports, and to support businesses that build shared overseas warehouses, the Cabinet said.

The executive meeting was the fourth in a month at which the Cabinet discussed measures to stabilize foreign trade.

The World Trade Organization said in a report published on Wednesday that global trade is expected to fall between 13 percent and 32 percent this year as the pandemic disrupts normal economic activity and life around the world.

Over 120 countries and regions have imposed restrictions on cargo and passenger flows, according to the Ministry of Commerce.

The downturn in the global trade and investment caused by the pandemic is set to have a huge impact on China's industry and supply chains, Premier Li Keqiang said at the Cabinet meeting.

"More importantly, the foreign trade sector, directly or indirectly,

accounted for the employment of 180 million people," he said. "A downturn in foreign trade will almost certainly hit the job market hard."

Retail sales by China's cross-border e-commerce sector were worth 186.2 billion yuan (\$26.4 billion) last year, up 38.3 percent year-on-year, according to the General Administration of Customs.

Ren Hongbin, an assistant minister at the Ministry of Commerce, told a news briefing on Thursday that private businesses accounted for 89.9 percent of the country's e-commerce exports, with over 1,200 overseas warehouses having been established by Chinese businesses.

Over 76 percent of China's key foreign trade businesses have resumed at least 70 percent of their production, Ren said.

However, sluggish international demand meant many were faced with challenges such as canceled or delayed orders and hurdles in sea

and air logistics.

The ministry will encourage more traditional businesses to go online and further emphasize the role of international platforms in spurring growth of the sector, he said.

Ren said the authorities will also offer incentives to domestic platforms to encourage them to go global and support the high-quality development of overseas warehouses.

The Cabinet meeting also decided that this year's China Import and Export Fair will be hosted online from mid- to late June. It will offer round-the-clock services for online product promotion, matchmaking and business negotiations.

The meeting also underscored the need to boost the capacity of China-Europe freight train services, including steps to improve the transfer of cargoes and to pick up services previously operated by sea and air transport — an important measure to stabilize international

supply chains.

Pan Helin, acting dean of the Digital Economy Institute at Zhongnan University of Economics and Law in Hunan province, said the pandemic posed a major challenge to China's traditional trade sector but it would also spawn major opportunities for transformational growth among cross-border e-commerce businesses.

However, he warned that e-commerce businesses would also be hit by the crippling of global supply chains, and stronger support measures were needed to protect them from the shock caused by the pandemic.

"The pandemic might usher in a reshuffle of businesses in the sector in which only competitive businesses and resources will survive," he said. "It is also important for small and medium-sized businesses to adapt to the changes in the market, or they will be overwhelmed by the tide."

POLICY RESPONSE

Millions to benefit from online vocational training

By **MO JINGXI**
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Several ministry-level departments, including those responsible for human resources and social security, education, and national development and reform, have responded recently to issues of public concern.

Digital platforms to provide skills training

The Ministry of Human Resources and Social Security has launched a 100-day free online vocational training program to promote employment and alleviate poverty amid the novel coronavirus pneumonia pandemic.



The move is an important part of the country's three-year campaign to improve vocational skills, the ministry said on Wednesday.

From late March to the end of June, more than 50 online platforms will be selected to provide free vocational skills training for over 5 million people, with digital training resources covering over 100 types of jobs.

People from rural and urban areas, including migrant workers, the unemployed and college graduates, can apply for the training, it said.

Subsidies will be provided to enterprises participating in the program and to trainees, especially those in financial difficulty.

Universities, colleges offer English classes online

China's universities and colleges will offer a number of high-quality courses in English to global students via an international online teaching platform.

The international platform is still under construction, and two teaching websites — www.icourse.cn and



<https://next.xuetangx.com/> — are the first to be included in the program, Wu Yan, a higher education official from the Ministry of Education, told a video conference held in Beijing on Friday.

The ministry will set up a committee to promote the construction of the platform and curricula and also establish an expert team to guide the operation and management of the platform, Wu said.

"For more than 40 years of reform and opening-up, China has been learning a lot from the world in developing its higher education," Wu said. "Now, we want to actively contribute to the world's higher education through massive online teaching and learning."

The construction of the platform comes at a time when the novel coronavirus pneumonia pandemic has forced the suspension of classes in many countries and regions.

Cities to ease permanent residency requirements

China will ease permanent residency requirements in many large cities as part of its urbanization push, the National Development and Reform Commission said on Thursday.

Restrictions on permanent residence permits should be scrapped in cities with populations between 1 million and 3 million, according to an NDRC document outlining key urbanization tasks this year.

For cities with populations of 3 million to 5 million, the qualifications for such permits should be "fully relaxed", and restrictions on certain key groups of people getting such permits should be removed, the document said.

The country has gradually abolished permanent residency restrictions in small and medium-sized cities and towns with populations

below 1 million.

The NDRC document also demanded cities with populations above 5 million improve their policies and drastically expand the scale of permanent residency.

Basic public services should be guaranteed for unregistered permanent residents in cities, with an increased supply of education resources in cities where there are a sizable number of children of migrant workers, according to the document.

The coverage of government-supported rental homes and housing provident funds should be expanded to benefit more unregistered permanent residents, it said.

China set a target of adding 100 million registered permanent urban residents from 2016 to 2020.

By the end of 2018, registered permanent urban residents comprised 43.37 percent of the country's population, up 1.02 percentage points from a year earlier, according to data from the National Bureau of Statistics.

Xinhua contributed to the story.

Policy digest

Bigger role for market in input allocation

China published a guideline on Thursday on improving the market-based allocation of production factors in a bid to further facilitate their free and orderly flow and stimulate market vitality.

Efforts will be made to further deepen reform and opening-up and remove institutional barriers that hinder the free flow of production factors to lay a solid foundation for high-quality development and the building of a modern economic system, according to the document, issued by the Communist Party of China Central Committee and the State Council.

China will promote market-based allocation of production factors, including land, labor and capital, while accelerating the development of factors such as technology and data, it said.

The country will push forward with reform of the rural land expropriation system, adjust policies on industrial land use and optimize its land management mechanism.

To further promote the flow of workers, it will take more steps to advance household registration system reforms, guarantee the equal employment rights of both urban and rural workers and strengthen vocational skills training.

To advance the market-based allocation of capital factors, the document said China will improve basic stock market mechanisms, accelerate the development of the bond market, increase the supply of effective financial services and expand financial opening-up.

Access requirements for foreign-funded financial institutions will be gradually relaxed and domestic agencies will be encouraged to participate in trading on the global financial market, it said.

The document underlined the importance of better protection and application of intellectual property rights and support for the marketization of independent IPRs in fields such as major equipment and key new materials while encouraging the integrated development of the factors of technology and capital.

Efforts will be made to nurture new industries, businesses and models in the digital economy and support the utilization of data in fields including agriculture, industry, transport, education and urban management.

Market-oriented pricing mechanisms and trading platforms for production factors should be further optimized, according to the guideline.

It also urged the creation of a better environment for reforms by further cutting red tape and phasing out regulations and practices that hinder fair competition.

Baise to become new opening-up pilot zone

Baise, a city in Guangxi Zhuang autonomous region on the border with Vietnam, has been given approval to become a new development and opening-up pilot zone, the State Council announced on April 7.

The pilot zone will be built into an important platform for China and the Association of Southeast Asian Nations to jointly build the Belt and Road Initiative. It will be an important engine driving economic development in neighboring areas, a model area with stable, safe and prosperous borders, and a demonstration area for ecological civilization construction, the Cabinet said in a statement.

The pilot zone will act as an important frontier for cooperation between China and ASEAN members in opening-up, the statement said.

Building the pilot zone will accelerate border development and opening-up, and the pursuit of opening-up on all fronts, it said.

The zone will also boost China's cooperation with ASEAN in areas such as politics, culture, science and technology, and speed up the building of the China-Indochina Peninsula Economic Corridor.

The new zone will also help the country's battle against poverty and promote urban and rural development in the border region, the statement added.