

POLICY REVIEW

Rural e-commerce drive presses ahead

Modern transport infrastructure and the latest information technologies seen as key to development

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The central government is pressing ahead with an initiative to bolster the growth of e-commerce in rural areas this year, with measures to help develop logistics and public services and offer more training courses to farmers.

A government notice published on June 1 said it will continue to energize market players in rural areas, help with the sales of agricultural products to cities and facilitate the smooth flow of industrial products to rural areas this year.

The notice, jointly issued by the ministries of finance, commerce and the State Council Leading Group Office of Poverty Alleviation and Development, said authorities must prioritize efforts to refine policies, improve infrastructure and public services and develop a good business environment for rural e-commerce to support the country's poverty reduction campaign and the rural vitalization strategy.

It is the seventh consecutive year that the central government has come up with plans to support the development of e-commerce in rural areas. The initiative has supported 1,180 counties around the country so far.

Online sales of agricultural products reached 397.5 billion yuan (\$56.1 billion) last year, up 27 percent year-on-year, according to the Ministry of Commerce. The number of online sellers in rural areas reached 13.84 million, with the number of internet users exceeding 250 million, according to official figures.

Wang Bingnan, vice-minister of commerce, told a news conference last month that despite persistent input from authorities in recent years, the development of rural e-commerce still faces challenges such as unsatisfactory industry and supply chains, high logistics costs and a shortage of talent.

The latest plan highlighted the importance of establishing modern logistics systems in keeping with the development of industries in different counties and exploring the application of modern information technologies such as big data, cloud services and blockchains to enable the integrated development of different sectors.

Impoverished areas will receive support to reinforce their weak infrastructure and employ e-commerce to expand sales channels for agricultural products. Areas with good infrastructure will be given incentives to promote the industrialized development of rural e-commerce to help farmers increase their incomes and bolster their spending.

The government departments will select a host of counties around the country to pilot their own models of e-commerce development and enable their experience to be introduced to other areas. The pilot programs will be supported by a special, centrally financed fund.

To boost the development of logistics systems at county, township and village levels, the govern-



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ment will encourage service providers to share their resources and integrate logistics in the express delivery, trade and transport sectors while improving efficiency and lowering costs.

In developing systems for the delivery of public services, authorities will coordinate the development of services in branding, standards, quality control, financing, logistics and training, and foster a number of name brands for agricultural products, the notice said.

The plan also pledged to offer e-commerce training to rural migrant workers who have

returned home, college graduates, military veterans and households living below the poverty line, including the skills needed to use livestreaming platforms and social networks to promote products.

Shen Xuefeng, a researcher at the Chinese Academy of Fiscal Sciences, said a highlight of the plan is that it gives more priority to the market playing a decisive role in the allocation of resources.

Despite its important role in improving infrastructure and offering public services, the government cannot replace the primary role of rural residents in promoting the development of

e-commerce, he said.

The COVID-19 pandemic has had a severe impact on the rural economy, he said, with many agricultural businesses facing difficulties in financing, hiring and marketing.

Measures to reduce logistics costs will significantly lower their corporate burdens, he added.

“The measure to offer e-commerce training sessions to returning migrant workers, college graduates, military veterans and poor households will alleviate the pressure on the job market, which has been hit by the pandemic,” Shen said.

Policy digest

Cabinet approves plan to lower logistics costs

The State Council has approved a plan to further lower logistics costs to help speed up the recovery of economic activities that were disrupted by the COVID-19 pandemic.

The plan, issued by the National Development and Reform Commission and the Ministry of Transport, said reform in key areas should be deepened to improve the logistics system.

The measures proposed include promoting a system of joint law enforcement to address overloading and having law enforcement agencies across the country strictly implement the same standards when tackling the issue.

The authorities should improve urban delivery networks and facilities for the parking and unloading of delivery vehicles and make the operation of new energy delivery vehicles more convenient.

The authorities should also facilitate customs clearance and deepen the reform of railways. For example, they should further ease market access and encourage private investment in the construction and operation of freight train stations and warehouses.

The plan also called for the authorities to better meet the logistics industry's land use demands, guarantee the land use quota for constructing major logistics infrastructure and increase funding for such construction.

They should also encourage banks to strengthen financing for logistics companies.

Taxes and fees levied on the logistics industry, such as those charged by railways and sea ports, should be reduced, and the cost of travel on highways should be lowered, the plan said, adding that measures should be adopted to reduce traffic jams and time spent on highways.

The plan suggested constructing a network of logistics infrastructure and formulating an action plan for the construction of a network of national logistics hubs in the next five years.

It also suggested establishing a group of major cold chain logistics bases in the country and improving weak links in cold chain logistics facilities in cities and rural areas.

The plan encouraged acquisitions and mergers conducted by large logistics companies, and called for nurturing competitive international ocean freight companies as well as an international shipping network commensurate with the scale of China's foreign trade.

There should be a strategy to develop modern supply chains which are digitized, smart and globalized, the plan said, suggesting the government speed up the development of “smart logistics”.

The government should also develop “green logistics” by promoting environmentally friendly practices such as a reduction in packaging, and encourage companies to develop and use recyclable and degradable packaging materials, the plan said.

WANG QINGYUN

POLICY RESPONSE

Central SOEs told to offer rent waivers to business tenants

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A number of ministry-level departments, including those responsible for State-owned assets and development and reform, have recently responded to issues of public concern.

SOEs urged to help smaller firms hit by pandemic

Central State-owned enterprises should take the initiative to support small and medium-sized enterprises and sole proprietors in getting through the COVID-19 pandemic, the State Council's State-owned Assets Supervision and Administration Commission said.

The central government issued a guideline last month instructing local authorities to ease the real estate rent pressure on SMEs and sole proprietors.

It said central State-owned enter-

prises should waive three months' rent in the first half of this year for SMEs and sole proprietors in the service industry who are facing difficulties, the commission said in a statement posted online on Wednesday.

No central SOE will be allowed to delay rent cuts for such tenants under any circumstances.

They should also strengthen inspection of their subsidiaries and hold them accountable if they fail to fully implement rent cut policies or engage in regulatory violations that lead to the loss of State-owned assets, it said.

Banks extend terms on 1.28 trillion yuan in loans

From Jan 25 to May 15, banks extended the principal repayment terms for 1.28 trillion yuan (\$180.10 billion) in loans to middle-, small and micro-sized enterprises to tide them over the COVID-19 pandemic,

the China Banking and Insurance Regulatory Commission said.

Banks have also extended the repayment terms for more than 55 billion yuan in interest and provided 1.9 trillion yuan of refinancing to such enterprises, it said.

The commission said it will continue to improve policies that allow for the extension of repayments on loans to middle-, small and micro-sized enterprises, and guide banks to further extend loan repayments according to the development of the pandemic and the enterprises' operating conditions.

Local development bodies told to boost urbanization

Local development and reform commissions should speed up the strengthening of weaknesses in counties to improve their urbanization, the National Development and Reform Commission said.

In a circular released online on



Wednesday, the commission said the COVID-19 pandemic has exposed weaknesses in counties in fields including public health, the living environment and urban facilities.

In order to support strategies designed to expand domestic demand and promote a new type of urbanization, the NDRC called on local authorities to expand efficient investment, tap into consumer potential and vigorously improve public facilities and services in counties to meet farmers' increasing needs to work and live in town.

The commission laid out a number of areas that need improvement, including health, education and elderly care facilities, waste and sewage disposal, traffic infrastructure and pipelines.

It also called for renovation of old neighborhoods and the building of smart counties.

Priority should be given to the construction of public health facilities and the centralized disposal of medical waste, as well as enhancing the capabilities of public hospitals, it said.

3-month moratoriums on fishing to protect squid

All Chinese oceangoing fishing boats will observe fishing moratoriums in two major fisheries to protect squid and their spawn, the Ministry of Agriculture and Rural Affairs said in a statement issued on June 2.

One of the moratoriums will take place in the open sea off the east

coast of South America (at 32°S-44°S, 48°W-60°W) from July 1 to Sept 30 every year.

The other will take place in the open sea off the west coast of Central America (at 5°N-5°S, 110°W-95°W) from Sept 1 to Nov 30 every year.

The ministry said pelagic fishing boats should fish for squid in a legal way, gradually set up a system including electronic fishing logs, video surveillance and fishery observers, and must not fish across borders.

The ministry also said it will coordinate with other departments on law enforcement in open seas to crackdown on illegal, unreported and unregulated squid fishing.

Fishery authorities in provinces, autonomous regions and municipalities should strengthen monitoring and management of fishing boats during the moratoriums and strictly guard against any violation of regulations, the ministry said.