

# Backing for new types of consumption

Healthcare, education, entertainment and tourism among sectors addressed in Cabinet guideline

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The central government has ratcheted up support for new forms of consumption in sectors including healthcare, education, entertainment and tourism as part of broader efforts to promote a rebound in retail sales and shore up economic growth.

The General Office of the State Council unveiled a guideline on Sept 21 that is designed to drive the growth of new types of consumption with new business models and patterns. It highlighted the need to bolster the development of infrastructure and services, along with oversight.

In fostering new business models in various areas, the government will refine its Internet Plus services and public service platforms for e-commerce and enable further integration between online and offline consumption, the office said.

To boost the growth of online education, authorities will encourage the development of online learning models and popularize large-scale online open courses and enable the joint development and sharing of various digital education resources.

The development of online healthcare will be supported by the promotion of services including online diagnosis, the use of electronic prescriptions and online sales of pharmaceuticals, according to the guideline.

It also included measures to spur the growth of online entertainment, with steps to give internet companies incentives to create digital art forms and develop new broadcasting platforms for digital resources.

More smart technologies will be applied to the tourism sector to make services more accessible, and additional policy support will be extended to business models such as food delivery, instant delivery and home-sharing services.

Chinese e-commerce and digital service providers will be encouraged to explore the global market, and the development of international courier services will be sped up. The use of the yuan in international settlement will be explored for trading of items involved in the new consumption models, the guideline said.

“Even though the COVID-19 pandemic has brought about an unexpected shock to economic performance, especially in the retail sector, it has also ushered in unexpected opportunities for new types of consumption and services, including contactless models,” Gao Gao, deputy secretary-general of the National Development and Reform Commission, told a news conference on Sept 22.

The new models have pushed forward the expansion of online consumption from daily necessities to healthcare, education, entertainment, tourism and fitness, he said.

An important factor that underpinned the positive economic year-on-year growth in the second



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24.6 percent

the share of online sales in total retail sales last month

quarter — after a year-on-year contraction of 6.8 percent in the first quarter — was the new type of consumer spending, he said.

However, a lack of infrastructure such as cold chains and smart express delivery systems, a talent shortage in small cities and rural areas and deficiencies in laws, regu-

lations and standards could affect the sustained growth of the new business models, he added.

The guideline is intended to spur a recovery in spending, foster new growth drivers and further stimulate consumption and unleash its potential, Gao said.

China's retail sales, which posted their first positive year-on-year growth last month, remained the weakest link as other economic indicators, such as investment and industry, pointed a more robust recovery in August.

Meanwhile, online shopping con-

tinued to be a key driver of consumer spending last month, with online sales accounting for 24.6 percent of retail sales — 5.2 percentage points more than in August last year — according to the National Bureau of Statistics.

Tommy Wu, lead economist at Oxford Economics, said the pickup in retail sales momentum in August was encouraging, but it continues to lag, with demand for services remaining especially weak.

He said he expects the recovery in household consumption to continue, and employment to pick up, as

the economy moves deeper into the recovery stage.

Peng Wensheng, chief economist with China International Capital Corp, said the growth of the digital economy is key to the further expansion of household consumption because it can offer more channels for residents to increase their income.

“The digital economy has played a significant role in the fight against the pandemic, and it will continue to be an important underpinning to boost consumer demand and enable a sustained economic recovery,” he said.

## Policy digest

### Master plan issued for three more pilot FTZs

The State Council has issued a master plan for three new pilot free trade zones in Beijing, Central China's Hunan province and East China's Anhui province amid efforts to lift the country's opening-up to a higher level.

The plan outlines the priorities for each pilot free trade zone and pledges to give them more space to explore reforms and expand opening-up.

Covering an area of 119.68 square kilometers, the Beijing pilot FTZ will include areas for science and technological innovation, international business services, and high-end industries, according to the plan.

It will focus on supporting the construction of an innovation center with global influence, accelerate the construction of a leading area for the expansion of trade in services and a pilot area for the digital economy.

The Beijing pilot FTZ will also strive to build a high-level opening-up platform for the coordinated development of the Beijing-Tianjin-Hebei region.

The new pilot FTZ in Hunan covers an area of 119.76 sq km. It will focus on building a world-class advanced manufacturing cluster, an international investment and trade corridor linking the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, and a leading area for in-depth economic and trade cooperation between China and Africa, the plan said.

The Anhui pilot FTZ, covering an area of 119.86 sq km is expected to set the standard for opening-up in the inland region.

According to the plan, it will focus on promoting the in-depth integration of scientific and technological innovation with the development of the real economy.

It will also accelerate the pace of its pioneering role in scientific and technological innovation and the cluster development of advanced manufacturing and strategic emerging industries, and promote the integrated development of the Yangtze River Delta.

The State Council also adopted a plan to expand the area of the pilot FTZ in the coastal province of Zhejiang in East China.

The added section will focus on building a new type of international trade center, an international shipping and logistics hub, and the construction of a commodity allocation base centered on oil and gas.

The section will also see the construction of a digital economy development demonstration zone and an area for advanced manufacturing industries.

China previously established 18 pilot FTZs in areas including Shanghai and the provinces of Guangdong, Liaoning, Hainan and Shandong.

Speaking at a news conference on Sept 21, Vice-Minister of Commerce Wang Shouwen said expansion of the pilot FTZs aims to accelerate the formation of a new development pattern through a higher level of opening-up.

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## POLICY RESPONSE

# Nationwide crackdown targets illegal use of fire in wide range of activities

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A number of ministry-level departments, including those responsible for emergency management, information technology, tourism and education, have responded recently to matters of public concern.

### Campaign to focus on arson, illegal use of fire

The illegal use of fire in forests and grassland is being targeted in a three-month nationwide crackdown, according to a notice



published on Thursday.

The notice, jointly issued by the Ministry of Emergency Management and three other departments, said the campaign will focus on arson and the illegal use of fire in farm work, ancestral commemorations, forestry and grassland production, construction and outdoor life.

Authorities in different fields, including public security, civil affairs, culture and tourism, emergency management and forestry, were told to strengthen coordination to jointly carry out law enforcement and supervision.

It said patrols monitoring key target groups should be enhanced.

### Guideline promotes equal access to information

China will take measures to enable people to access, exchange and use information equally, conveniently and safely in an effort to narrow the digital divide and promote social inclusivity, a

guideline published on Wednesday said.

Jointly issued by the Ministry of Industry and Information Technology and the China Disabled Persons' Federation, it said efforts will be focused on priority groups such as the elderly, the disabled, residents in remote areas and people from different cultural backgrounds, aiming to remove the obstacles they face in three aspects of information consumption: charges; terminal devices; and services and applications.

By the end of next year, people with disabilities and rural residents aged over 60 will be charged lower fees for communication services, the accessibility of information on government websites and mobile internet applications and in public facilities will be further improved, and access to internet in primary and secondary schools and health centers in villages and towns will be expanded, the guideline said.



### 300 rural tourism routes recommended by ministry

The Ministry of Culture and Tourism has recommended 300 quality trips covering all the country's provincial-level regions to promote rural tourism ahead of the eight-day National Day holiday which begins on Thursday.

The recommendations range from boutique homestays in suburban Beijing to the Taohuayuan Scenic Area in Changde, Hunan province.

The ministry said the impact of the COVID-19 pandemic meant tourists now preferred shorter trips to cut down on the time they spent traveling and placed more empha-

sis on safety, health and coziness. As a result, rural tourism featuring closeness to nature and convenient travel is gaining popularity among holidaymakers, it said.

The ministry said efforts will be made to tap into local cultural and agricultural resources to develop cultural and creative products that adapt to modern life and promote cooperation with e-commerce platforms in an effort to boost economic growth.

Data from the ministry showed that rural tourism recovered strongly in the second quarter of the year, with total revenue of about 173 billion yuan (\$25.36 billion), up nearly 149 percent from the first quarter, when it fell 77 percent year-on-year.

### Goals set for development of postgraduate education

China will develop into a leading country for postgraduate education by 2035, according to a guideline unveiled on Sept 22.

The guideline, jointly issued by the Ministry of Education, the National Development and Reform Commission and the Ministry of Finance, said that postgraduate education is important for cultivating high-level talent and innovation and is also a cornerstone of social progress.

By 2025, a high-level postgraduate education system will be basically in place, according to the guideline. The system will have an optimized scale and structure, improved institutions and mechanisms, enhanced education quality and growing global influence.

Highlighting the importance of cultivating postgraduate students' innovative capabilities, the guideline said enrollment plans should target the frontiers of science and technology, as well as other key fields.

Special programs should be launched to nurture much-needed, high-caliber professionals in such key fields, it said.