

POLICY REVIEW

New policies foster growth of foreign trade

Support for exporters' use of technologies to explore international market

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The central government has unveiled a new package of measures to spur the growth of foreign trade, including steps to support exporters' use of new technologies and channels to explore the international market and enhance the competitiveness of small and medium-sized enterprises.

The measures were laid out in a guideline issued by the General Office of the State Council, China's Cabinet, on Nov 9 in a bid to promote the high-quality and innovative development of the foreign trade sector.

Key policies include offering businesses support in the utilization of technologies such as fifth-generation communication technology, virtual reality and big data to exhibit their products and conduct business consultations online, and fostering businesses with global competitiveness in the telecommunications, power grid, engineering machinery and railway sectors.

In boosting the competitiveness of small and medium-sized enterprises, the government will launch an initiative to help the growth of SMEs and encourage them to explore the international market in clusters.

The Cabinet pledged to guarantee the stability of global supply chains by ensuring exports of key businesses and products with major implications in global industrial chains.

More support will be extended to China's equipment manufacturers, including those from the power grid, railway, telecommunications equipment and aerospace sectors, to explore the global market, it said, adding that it will seek to bolster the competitiveness of the biological technology, energy-saving and environmental protection, new energy and robotics sectors.

Ren Hongbin, assistant minister of commerce, told a news conference on Thursday that the document outlined a new path for the growth of China's foreign trade sector against the background of the COVID-19 pandemic.

The latest measures seek to add new impetus to the sector with innovative business models, offering fresh incentives to the growth of cross-border e-commerce and giving strong emphasis to the development of digital trade, he said.

They will also encourage businesses to better coordinate the exploration of domestic and foreign markets and refine the structure of imported products so they can supply cutting-edge technologies and equipment, energy and resources to customers and high-quality goods to consumers, Ren said.

China's exports rose by 11.4 percent year-on-year last month — the fastest pace in 19 months — while imports rose by 4.7 percent from a year earlier, according to the General Administration of Customs.



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The value of imports and exports in the first 10 months of the year was a record 25.95 trillion yuan (\$3.94 trillion), up 1.1 percent year-on-year.

The government's efforts to diversify foreign trade partners are also paying off, with shipments to emerging markets accounting for 48.7 percent exports in the first three quarters of the year, up by 8.4 percentage points from the level in 2008, according to the Ministry of Commerce.

Shipments by private enterprises accounted for 55.5 percent of exports in the first nine months of the year, up by 28.7 percentage points over 2008, the ministry said.

Li Xingqian, head of the ministry's foreign trade department, said at the conference that the growth of new business models, including cross-border e-commerce, will be a policy priority. The government will continue to refine its policy mix, support

pilot projects by local authorities and encourage businesses to innovate their business models in spurring the growth of cross-border e-commerce.

He added that a number of Chinese e-commerce platforms have gone global to explore emerging markets such as the Middle East, Southeast Asia and Africa, and over 1,800 overseas warehouses have been established by Chinese e-commerce businesses.

Tu Xinquan, professor and dean of the China Institute for WTO Studies at the University of International

Business and Economics, said the latest policies give priority to amplifying the strengths of different regions and sectors in facilitating the growth of foreign trade.

A highlight of the document is that it stresses the need to develop new types of trade in services and accelerate the growth of digital trade, which could be another growth engine for the foreign trade sector, he said.

"The COVID-19 pandemic has given more prominence to the importance of cross-border e-commerce, and we have reasons to believe that it will take up a bigger share in China's overall foreign trade in the near future," Tu said.

POLICY RESPONSE

1,500 entrepreneurship bases to be built for returning workers

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A number of central government departments, including those responsible for agriculture, environment, stock market and cultural relics have responded recently to matters of public concern.

Incubator parks set to thrive in rural areas

By 2025, 1,500 entrepreneurship incubator parks will have been built in rural areas across the country to accommodate entrepreneurial villagers returning from urban areas, the Ministry of Agriculture and Rural Affairs said in a release posted on its website on Nov 10.

The parks will have full functions, offer excellent services and provide wide coverage and a high incubation



rate, according to a circular mentioned in the release that was jointly issued recently by the ministry and departments including the Ministry of Science and Technology and the Ministry of Finance.

The policy drive is expected to attract 3 million people returning to their hometowns for entrepreneurship and innovation, in turn helping 20 million former migrant workers to find jobs near their rural homes.

There has been a marked increase in entrepreneurship by migrant workers returning to their hometowns this year, in part due to the economic effects of the COVID-19 pandemic.

The circular pledged stronger financial support, and said one-off subsidies can be granted to those who have returned to hometowns to start businesses for the first time and have operated their businesses for more than a year.

Summer ozone campaign sees levels reduced

China achieved some early results this summer in preventing and controlling ozone pollution, which is caused by a gas that helps filter ultraviolet light from the sun in the atmosphere but is toxic at ground level, an

official with the country's top environment authority said on Nov 10.

The average concentration of ozone in 337 cities across the country rose 6.5 percent year-on-year last year, said Li Tianwei, an official with the Ministry of Ecology and Environment.

Following special campaigns launched by the ministry in July in cities that accounted for the majority of ozone emissions, concentrations dropped considerably in key regions including Beijing, Tianjin, and Hebei and Shanxi provinces, and the number of days with excessive ozone levels declined significantly, Li said.

The ministry will increase efforts to reduce emissions of volatile organic compounds — a key component in the generation of ozone and PM2.5 — and law enforcement will be reinforced to further contain ozone pollution, he said.

CSRC aims to upgrade listed companies' quality

China's top securities watchdog has pledged more efforts to improve the quality of listed companies, vowing to improve corporate governance, bolster the mechanism for exiting the market, and toughen punishment for illegal acts.

A targeted campaign will be launched to enhance corporate governance of listed firms, the China Securities Regulatory Commission said at a meeting on Nov 10.

The commission's campaign will prompt companies to conduct self-inspection and rectification, and clearly define and improve their corporate governance rules and systems.

It should augment a separate three-year action plan on the reform of State-owned enterprises in order to push State-owned companies to improve their quality, the meeting decided.

Supervision of the exit mechanism for listed companies will be strengthened, the criteria for delisting will be fine-tuned, and relevant procedures will be streamlined, the commission said.

It also pledged to reduce risks related to stock pledges by listed companies and have zero tolerance for illegal activities in the country's capital market.

Private reform encourages private collection of relics

A pilot reform on managing cultural relics owned by individuals



was launched in Shanghai on Nov 10 to encourage legitimate private collection and promote the growth of the cultural relics market, Liu Yuzhu, head of the National Cultural Heritage Administration, said.

The trial reform aims to help address key problems that have long clouded the development of the industry, Liu said in an interview with Xinhua News Agency on Nov 10.

More than 10 important measures concerning cultural relics will be introduced to promote experimentation with the reforms in Shanghai, he said.

The measures include implementing projects to boost public awareness of the collection and appreciation of cultural relics and the laws and regulations that protect them.

Policy Digest

List eyes upgrading of administrative services

To further optimize the business environment, a circular issued by the State Council on Nov 10 listed duties and assigned individual tasks to various departments and localities for the implementation of administrative reform measures adopted following a teleconference in September.

The circular said some recently adopted practices for effectively funneling funds directly to the grassroots level will be examined, adopted and institutionalized by departments including the Ministry of Finance.

New tax and fee cut policies — such as using big data to simplify procedures for identifying potential beneficiaries of some exemptions — shall be implemented to support employment, people's livelihoods and market entities.

The regular epidemic prevention and control mechanism for COVID-19 should be constantly improved to increase efficiency and accuracy, the circular said. Efforts should also be made to boost the recovery of the passenger transport, catering, tourism and hotel industries.

In the document, the State Council asked departments to propose a list of existing administrative approval items that could be canceled, delegated to lower-level authorities or managed differently, before the end of June.

Interprovincial administrative services shall be improved by advancing the adoption of unified operation standards and promoting localities' reciprocal recognition of electronic certificates.

Education, social security and healthcare can become vanguards in interprovincial administrative services facilitation, the circular added.

To encourage adherence to the Foreign Investment Law and related regulations, the circular asked departments to further mitigate outdated regulations and documents in conflict with the law to ensure foreign and domestic enterprises are treated equally.

Li stresses importance of policy realization

Premier Li Keqiang highlighted the key role of realizing policy initiatives in promoting economic stability and recovery while presiding over Wednesday's executive meeting of the State Council.

At the meeting, Li listened to briefings about the latest nationwide check on policy implementation. The State Council has sent inspection teams to 14 provincial-level regions and the Xinjiang Production and Construction Corps recently to supervise the implementation of policy, sum up local experiences, collect public suggestions and facilitate solutions to problems.

The inspection showed that since the beginning of the year, local governments have effectively implemented the decisions and arrangements made by the Communist Party of China Central Committee and the State Council, according to the meeting.

In doing so, the localities channeled 2 trillion yuan (\$302.57 billion) in new fiscal funds to the grassroots level in cities and counties to deliver direct benefits to businesses and individuals.

Policies such as the introduction of 2.5 trillion yuan in tax and fee cuts and exemptions have proved to be effective in supporting market entities and boosting market confidence, and they have played a key role in stabilizing the bedrock of the economy, according to the meeting.

It said supervision and implementation need to be further strengthened to ensure that all policies already decided are implemented thoroughly, and incentives should be granted to places that have taken the lead and achieved remarkable results in policy implementation.

With regard to problems identified by the latest check — such as failures to fulfill some policies and shifting financial burdens to market entities without permission — it is necessary to list them, notify the authorities involved and make rectification in a set time, the meeting decided.

Those who fail to fix problems should be held accountable, the meeting said.

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