

# More service sector programs announced

Six cities selected for opening-up as country eyes economic recovery

By ZHANG YUE  
zhangyue@chinadaily.com.cn

China has recently established pilot programs related to the service industry in six cities as it looks to expand opening-up nationwide and accelerate economic recovery, officials and experts said.

On Dec 20, the State Council, China's Cabinet, approved three-year pilot programs in Shenyang, Liaoning province; Nanjing, Jiangsu province; Hangzhou, Zhejiang province; Wuhan, Hubei province; Guangzhou, Guangdong province; and Chengdu, Sichuan province, bringing the total number of cities with similar programs to 11.

It was the third time that the list has been expanded since the first list started in Beijing in 2015.

According to the guideline, the six cities will encourage opening-up by improving industrial regulations, standards and management while focusing on development. In addition, local governments will advance reform and develop modern services that exploit their unique resources, making them more competitive globally and helping contribute to overall national growth.

The pilot programs in Beijing led to specific opening-up measures, including advancing reforms in technological services and innovation, boosting the development of the digital economy and trade, strengthening reform and innovation in financial services and fostering greater global cooperation through internet services.

One of the main reasons that these programs are important is because they help increase foreign investment, which is at the heart of opening-up efforts, according to a statement from the Ministry of Commerce. For example, a spike in foreign investment has driven the optimization and upgrading of China's industrial structure, which has helped the country's ability to meet demands.

With seven years' experience of piloting opening-up programs in the service industry, officials and experts believe that the addition of the programs, particularly since the optimization of COVID-19 containment measures, will significantly increase economic activity this year and in particular, boost economic recovery and create even more experience to draw on that can contribute to China's overall agenda for opening-up.

Tu Xinquan, a professor at the China Institute for World Trade Organization Studies at the University of International Business and Economics in Beijing, said that when the country first started the programs in the capital, the government's aim was to accumulate experience that other cities could learn from.

"That was also only two years after the Shanghai Free Trade Zone was established," Tu said. "One thing about Beijing is that the service industry makes up a greater proportion of the city's economic landscape, while manufacturing makes up a relatively smaller portion. Therefore, in terms of opening-up of the service industry, Beijing is playing a simi-



SHI YU / CHINA DAILY

“One common feature among the six cities (Shenyang, Nanjing, Hangzhou, Wuhan, Guangzhou and Chengdu) is that they all have a solid development base in production and manufacturing. They can combine this with the pilot opening-up programs and developments in the modern service industry to explore and create new advantages for themselves.”

**Li Jun**, director of the Institute of International Trade in Services at the Chinese Academy of International Trade and Economic Cooperation in Beijing

lar role to Shanghai's FTZ.”

He added that overall, the level of opening up in the service industry is low.

Tu said that over the past seven years, the pilot programs in Beijing and four other provincial-level regions — Tianjin, Shanghai, Chongqing and Hainan — have been successful, and he expects that the six recently added cities will gain valuable knowledge from their own attempts.

For years, the service industry has been the primary means of attracting foreign investment and driving growth. During the 13th Five-Year Plan (2016-20) period,

the average annual growth rate of foreign investment in the industry was 4.4 percent, accounting for more than 70 percent of the actual use of foreign capital.

From January to November last year, China's actual use of foreign capital in total stood at roughly 1.16 trillion yuan (\$171 billion), marking a 9.9 percent increase year-on-year. Of that figure, the actual use of foreign capital in the service industry was 842.61 billion yuan, accounting for about 73 percent of the total.

Li Jun, director of the Institute of International Trade in Services at the Chinese Academy of Inter-

national Trade and Economic Cooperation in Beijing, said that he expects the six new cities to take greater strides to boost opening-up in the high-tech production service industries.

“One common feature among the six cities is that they all have a solid development base in production and manufacturing,” he said. “They can combine this with the pilot opening-up programs and developments in the modern service industry to explore and create new advantages for themselves.”

Tu said that the expansion of pilot programs in the six cities was well-timed as the country is opti-

mizing its COVID-19 containment strategies, and he expects the programs to achieve their stated goal.

“The COVID-19 situation over the past three years has dealt a heavy blow to the service industry, particularly endeavors that require contact between people, such as catering, transportation and tourism, which are also important areas in which China needs to expand opening-up,” he said. “I believe the current optimization of containment measures and reopening will create new opportunities for the six cities to open up their service industries more effectively.”

## Policy Digest

### Plan aims to increase planting of tea oil trees



Authorities have set a target of ensuring that more than 6 million hectares of tea-oil camellias are planted by 2025, according to a three-year action plan released on Monday by the National Forestry and Grassland Administration, the National Development and Reform Commission and the Ministry of Finance.

The tea-oil camellia is a woody plant, and its exploitation has a long history in China. Given its environmental and economic importance, the document stated that China will expand plantation by 1.3 million hectares between this year and 2025, to produce more than 2 million metric tons of tea oil a year.

In addition, the country will upgrade about 850,666 hectares of forest by planting tea-oil camellias over the next three years, it said.

According to the plan, more than 992,000 hectares will be planted in 600 counties covering eight provinces and autonomous regions, including the provinces of Hunan and Jiangxi and the Guangxi Zhuang autonomous region, which are core areas for the trade.

Meanwhile, nearly 200 counties in seven provincial-level regions, including Chongqing and the provinces of Yunnan and Henan, have been designated as priority areas for expansion. More than 285,000 hectares are expected to be planted in those regions.

### Fourth cultural heritage survey to be conducted

China's National Cultural Heritage Administration will launch a national survey of cultural heritage later this year, according to a meeting attended by cultural heritage authorities on Jan 5.

According to Li Qun, head of the administration, the survey will be active for three to four years so officials can get to know the number, location, features and condition of immovable cultural heritage nationwide.

Based on the results, a national catalog will be created to better assess their situation and help create policies to better protect cultural heritage, Li said.

Deng Chao, an official with the administration, said that apart from examining, registering and identifying newly found immovable heritage, the survey will focus on reexamining examples that have already been identified and registered.

A list of institutions focusing on the protection of cultural heritage will be made public along with the catalog, Deng said, adding that the survey also aims to help improve the skills of those engaged in heritage protection and raise public awareness of the need to protect sites.

The survey will be the fourth of its kind. The third was organized between April 2007 and December 2011, during which more than 760,000 immovable objects were examined and registered.

### Authorities to better monitor rural poor

Authorities will bolster efforts to carry out regular monitoring of and to provide assistance to low-income residents in rural areas to prevent a large-scale lapse back into poverty due to illness, according to a notice published on Jan 3.

The notice, issued by the National Healthcare Security Administration and four other central departments, stressed the importance of establishing a long-term mechanism to aid the effort.

It stated that in rural areas, more than 99 percent of low-income people need to be covered by basic insurance. Moreover, targeted assistance needs to be provided to qualifying patients with high medical expenses.

## Local governments should play vital role in opening-up effort

By ZHANG YUE  
zhangyue@chinadaily.com.cn

With China advancing reform and opening-up on all fronts, the role that local governments play in pushing forward opening-up in the service industry is particularly important compared to other industries, expert said.

Six cities were recently added to a list of those in which pilot programs focused on expanding opening-up measures have been

established. Their efforts will target the service industry and should aim to better support local businesses while also increasing investment opportunities, he continued.

Tu Xinquan, a professor at the China Institute for World Trade Organization Studies at the University of International Business and Economics in Beijing, said all six cities are important in their regions, have a solid foundation in the service industry and are

strong manufacturing hubs. “I think the governments should concentrate on developing service industries that are closely related to production and manufacturing,” he said.

For example, Hangzhou in Zhejiang province, which has a strong digital economy, should focus on combining digital services with its manufacturing industry, Tu explained.

He stressed that to make the pilot programs more effective, the role of

local governments is crucial. They must help companies compete with global counterparts and improve local business and investment environments, he said.

“In the process of opening up the service industry, local governments usually play a bigger role than that in manufacturing. This is because, for one thing, the service industry is very closely related to socioeconomic activity. Also, in the service industry, local businesses are more likely to compete

with global peers,” he said.

“Therefore, I think local governments should have a more open and active attitude regarding the opening-up of the industry. Their job should be to aid the entire service industry, rather than just specific businesses.”

Tu also said he believes proper opening-up and competition will help push forward local economic growth and facilitate the upgrading of specific areas in the service industry in the six cities.