

# POLICY REVIEW



## Cabinet gives consumer spending a boost

Measures to promote vehicle sales, household purchases and tourism

By XU WEI  
xuweixi@chinadaily.com.cn

The State Council, China's Cabinet, underlined the role of consumer spending as the strongest underpinning for future economic growth as it rolled out a raft of new measures to promote consumption in key sectors and rural areas.

At its executive meeting on Wednesday, the Cabinet pledged to expand consumer spending on vehicles, promote the consumption of home appliances, furniture and home decoration services and extend more support to the catering and tourism sectors.

Key policies include encouraging local authorities to adjust policies capping vehicle purchases to make license plates available to residents and offering subsidies to rural residents who buy trucks with a carrying capacity of no more than 3.5 metric tons and passenger cars with

engines no bigger than 1.6 liters.

Car owners will receive subsidies if they replace gasoline-powered vehicles that fail to meet national emission standard IV with ones that do, and the construction of parking lots and charging units will be stepped up, the Cabinet said in a statement.

"An important factor that drags on economic growth at present is the fact that consumer spending is still yet to fully recover," Premier Li Keqiang said at the meeting.

"We are still faced with some difficulties to resume the normal growth of consumption, even though there are signs of a rebound in recent months."

He urged different areas and government departments to make proactive efforts to foster new bright spots in consumer spending and enable its sustainable recovery.

China's retail sales, a key barometer of consumption, grew by 4.3 percent year-on-year last month, up from 3.3

percent in September, according to the National Bureau of Statistics.

However, they were still down by 5.9 percent in the first 10 months of this year, the bureau said, with output in the catering sector down 21 percent year-on-year amid the fall-out from the COVID-19 pandemic.

Sales of vehicles, including trucks and buses, rose 12.5 percent year-on-year last month, marking the sixth consecutive month of double-digit growth.

However, total purchases in the first 10 months of the year were still below pre-pandemic levels, according to the China Association of Automobile Manufacturers.

Cui Dongshu, secretary-general of the China Passenger Car Association, said the surge in vehicle purchases in recent months has given strong impetus to growth in consumer spending, and further stimulus policies targeting families without cars will reinforce the momentum.

He said the latest policies rolled out by the State Council target factors that still constrain vehicle sales, such as car license plate restrictions imposed by some local

authorities and a sluggish market in rural areas.

In promoting the consumption of home appliances and furniture, the Cabinet said local authorities will be encouraged to offer subsidies to people who trade in old goods and buy smart home appliances and environmentally friendly furniture.

To bolster consumption in rural areas, the government pledged to scale up construction of business and trade facilities in counties and townships and build more logistics outlets in villages, adding that law enforcement will be strengthened in rural markets to crack down on fake and substandard products.

It is important to make parallel efforts to cater to demand from residents of large and medium-sized cities and also those living in counties and rural townships, Li said.

The meeting also adopted a host of measures, including encouraging the development of smart facilities and services such as electronic maps and audio guides at tourist attractions, to support Internet Plus tourism.

It vowed to encourage tourist sites to increase online marketing and facilitate new business forms such as virtual tours, adding that regulatory measures will be rolled out for vacation rentals.

Wang Han, chief economist at Industrial Securities, a brokerage, said tourism is the sector that has been hit hardest by the COVID-19 pandemic, which was an important reason why the Cabinet had come up with steps to shore up the sector's development.

"The Cabinet meeting highlighted the need to promote Internet Plus tourism, a measure that is in line with normalized COVID containment measures and the interests of young people," he said.

He said the recovery of consumer spending is still lagging behind other economic growth drivers, such as exports and investment, and that is why the State Council has once again emphasized the need to bolster consumption.

"With consumer spending gradually recovering to a normal level, we also look forward to more policies to improve residents' income in the 14th Five-Year Plan," he said.

### POLICY RESPONSE

## Mine safety, migrant workers' back pay under scrutiny

By MO JINGXI  
mojingxi@chinadaily.com.cn

A number of central government departments, including those responsible for coal mine safety, civil affairs, human resources, and rural migrant workers, have responded recently to matters of public concern.

**Inspection focuses on colliery risk management**

China has launched a production safety inspection targeting all working coal mines and coal mining projects after several recent accidents, the National Coal Mine Safety Administration said on Nov 16.

The checks, running from Nov 6 until the end of next year, will focus on coal mining infrastructure, risk



prevention management for major disasters and emergency response and rescue capabilities, it said in a notice.

Before Spring Festival in February, the inspection will focus on companies and coal mines with major risks and poor management.

Safety inspections of closed coal mines should be organized in a timely manner before they resume production, it said.

**Online platforms to help raise charity funds**

China will designate a new batch of no more than 10 online platforms to promote programs and raise funds for charity organizations, the Ministry of Civil Affairs said.

In an effort to make better use of internet technology in philanthropy and support the wider release of fundraising information by charity organizations, the ministry will select influential platforms that enjoy credibility on the internet and in the charity sector, it said in a notice issued on Nov 16.

Qualified applicants able to run internet information services should submit their applications

before Dec 10 and the list of designated platforms will be made public by the ministry after the applications are evaluated.

Xinhua News Agency said China has 7,169 registered charity organizations with 172 million volunteers across the country. Information on over 3.9 million volunteer projects has been made public and volunteers have rendered more than 2.19 billion hours of service.

**Companies can carry out their own skill evaluations**

Companies will be allowed to carry out their own evaluations of skilled workers and issue vocational credentials as the Chinese government deepens reforms to streamline administration and delegate more powers to employers.



The moves are part of the establishment of a market-oriented evaluation system for skilled workers, the Ministry of Human Resources and Social Security said.

The ministry said in a notice issued on Nov 12 that efforts will also be made to connect vocational skill evaluations with professional title appraisals to develop talent in an integrated manner. By breaking down barriers related to issues such as educational backgrounds or qualifications, talented people will be able to get more development opportunities at work, it said.

Statistics from the ministry show there are about 170 million skilled workers in China, including electricians and nannies, making people's daily lives more convenient.

**Nationwide campaign to address wage arrears**

China has started a nationwide campaign to help address back pay issues for rural migrant workers as the peak season for claiming arrears, around Spring Festival, approaches.

The campaign started on Nov 6 and will last till Spring Festival in



February, the State Council Leading Group Office of Eradicating Non-payment of Wages to Rural Migrant Workers said in a notice issued on Nov 12.

Intensive inspections of the payment of wages to rural migrant workers will focus on the construction sector, labor-intensive manufacturing and industries severely affected by the COVID-19 pandemic as the sectors tend to hire more rural migrant workers, it said.

Legal disputes concerning non-payment of wages to rural migrant workers employed on projects launched this year with government investment, State-owned company investment or a combination of government and social investment, should be settled by the end of this year, the notice said.

### Policy Digest

#### Guideline emphasizes importance of grains



Faced with domestic and international uncertainties, Chinese authorities have underlined the importance and urgency of preventing the non-grain use of farmland and stabilizing grain production, according to a guideline released on Nov 17.

Issued by the General Office of the State Council, it said the non-grain use of farmland in some places, including illegal tree planting and pond digging on permanent basic farmland, will affect the nation's food security if allowed to continue.

Permanent basic farmland refers to high-quality arable land that should be used to produce rice, wheat and corn.

Saying food security should be the top priority of China's agricultural work, the guideline urged efforts to use farmland in a scientific way, saying that grain production must be the priority in using farmland resources.

It said governments and departments at all levels should further optimize production structures and implement the strictest farmland protection policies to prevent the non-grain use of arable land.

In order to protect farmland and regulate its use, strict restrictions should be placed on the conversion of farmland into other types of agricultural land such as forests and gardens, it said.

While the use of industrial and commercial capital is encouraged in grain processing and circulation in rural areas, the guideline said it should not enable the large-scale transfer of farmland for non-grain purposes.

Agricultural and natural resources authorities across the nation should also monitor and assess grain production on farmland every six months with modern information technologies such as satellite remote sensing, it said.

**Innovation urged in developing foreign trade**

China has unveiled a series of measures to promote the innovative development of foreign trade, the General Office of the State Council said in a guideline issued on Nov 9.

The innovative development of foreign trade should focus on building up the new development paradigm for the country, searching for new ways to explore the international market, optimizing the domestic layout of foreign trade, and enhancing the competitiveness of foreign trade firms, it said.

To create a favorable international environment for trade and economic development, the guideline said efforts will be made to negotiate and sign more high-standard free trade agreements and regional trade agreements while speeding up exchanges under existing trade deals.

It urged efforts to enhance trade quality in East China, increase the proportion of trade in central and western regions and expand the opening up of northeastern areas.

The guideline also required authorities to cultivate a batch of leading enterprises with strong innovative capacity and international competitiveness in areas such as communications, electricity, engineering machinery and rail transportation.

To provide a better environment for foreign trade, the guideline said customs clearance procedures will be further simplified.