

RIGHT TRACK

Nation's new urbanization to boost growth

Regulator's notice underlines rollout of 5G networks, smart digital tech

By MASI

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China's top economic regulator on Tuesday unveiled a notice that detailed efforts to promote new urbanization during the 14th Five-Year Plan period (2021-25), which is expected to inject new vitality into economic growth and accelerate the nation's high-quality development.

The notice unveiled by the National Development and Reform Commission on its website said more efforts are needed to accelerate the rollout of 5G networks, ensure that the 5G signals will cover all cities and counties across the nation, and expand the coverage of the gigabit optical network.

The notice also called for more efforts to enrich the application scenarios of digital technologies, and promote the development of remote work, online education, telemedicine, smart travel, smart communities, smart buildings, smart business districts, smart security and other industries.

By the end of May, China had built 1.7 million 5G base stations, with the number of 5G mobile phone users reaching 428 million. 5G traffic accounted for 27.2 percent of mobile traffic, data from the Ministry of Industry and Information Technology on Tuesday showed.



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Qin Hailin, president of the China Center for Information Industry Development Consultancy

Moreover, 5G technologies have been applied to over 40 categories in the national economy. It has been widely used in more than 200 smart mines, more than 1,000 smart factories, more than 180 smart grid networks, 89 ports, and more than 600 hospitals across China, the ministry said.

Wang Zhiqin, deputy head of the China Academy of Information and Communications Technology, a government think tank, said build-



China Mobile employees test a 5G base station in Tongling, Anhui province. GUO SHINING / FOR CHINA DAILY

ing a sound telecom infrastructure will lay a sound foundation for the high-quality development of China's digital economy.

Previously, China's digital economy was chiefly driven by consumer-oriented internet applications like e-commerce, but now enterprise-oriented applications like industrial internet are playing a significantly bigger role, which showcases a better digital economic structure, Wang said.

She further said that the market size of China's digital economy reached 45.5 trillion yuan (\$6.77 trillion) in 2021, up 16 percent year-on-year.

Qin Hailin, president of the Beijing-based China Center for Infor-

mation Industry Development Consultancy, said the efforts to accelerate the construction of "new infrastructure" like 5G will help fuel investment in the second half of this year, contributing to the nation's economic recovery.

"Widening the application of digital technologies in more scenarios such as smart travel will also help spur consumption and accelerate the transformation of a slew of traditional industries," Qin said.

Currently, more than 2,400 "5G plus industrial internet" projects are under construction in China, as the nation beefs up its industrial upgrade drive that attempts to boost the marriage between digi-

tal technologies and traditional sectors.

Zhao Houlin, secretary-general of the International Telecommunication Union, said earlier that China's consumer internet and industrial internet have entered the fast lane, putting China among the leaders in global innovation and development.

To better pounce on the opportunity, the Ministry of Industry and Information Technology earlier unveiled the 2022 work plan for industrial internet, calling for efforts to build 10 factories that are fully covered by 5G, and cultivate about 10 industrial internet public service platforms in specific regions this year.

national road network will also provide strong support for China's next moves to develop smart city networks and intelligent internet of things as well as embark on a path toward carbon peak and neutrality.

Citing the newly released plan, Yang Jinghao, chief economist at Concat Data Technology (Hangzhou) Co Ltd, said it means China will build new expressways of at least 30,000 km before 2035.

Infrastructure construction investment, an important part of fixed-asset investment, will play a key role in supporting stimulus-driven economic growth, Yang said.

He explained that the central government will usually allocate funds to build expressways, which will help ease financial pressure on local governments and boost local economies via implementing projects. And that will also allow local governments to attract more investment in industrial projects along the national road network.

National roadways to hit nearly half-million km

By OUYANG SHIJI

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China unveiled a new plan on Tuesday to expand its national road network to around 461,000 kilometers by 2035, as part of its larger move to build a modern, high-quality and comprehensive national transportation network, said officials and experts.

As China's economy is facing downward pressure and uncertainty both at home and abroad, they said construction of the national road network will also play a key role in stabilizing investment and economic growth as well as boosting connectivity between China and other markets along the Belt and Road.

The new plan, jointly released by the National Development and Reform Commission and the Ministry of Transport, aims to bring the

length of expressways to 162,000 km and that of highways to 299,000 km.

By 2035, China is set to basically build a modern national road network that is extensive, fully functional, efficient, green, intelligent and safe. Looking into 2050, China aims to build a world-class national road network that is in line with the modern, high-quality and comprehensive transport networks and advanced information networks.

Zhou Xiaoqi, deputy director of the NDR's Department of Infrastructure Development, said the new plan will help support building China's new development paradigm of "dual-circulation" that takes the domestic market as the mainstay while letting domestic and overseas markets reinforce each other, and it will also support the development of new urbaniza-

tion and help expand high-level opening-up.

Under the plan, China will further streamline its transportation network that links provinces, city clusters and counties, thus helping facilitate favorable circulation in China's economy, boost connectivity among city clusters and metropolitan areas, further strengthen connections between national roads and land ports, and form international road traffic passages between China and other countries in Northeast Asia, Central Asia, South Asia and the Association of Southeast Asian Nations, Zhou said at a news conference in Beijing on Tuesday.

Zhou highlighted the importance of infrastructure construction, saying that road construction investment plays a key role in stabilizing investment and growth.

He said that since the 13th Five-

Year Plan period (2016-20), road construction investment has accounted for about 2.4 percent of China's GDP.

"The plan is not only a long-term investment that can enhance China's economic growth potential, but also marks a key move to stabilize the economy, employment, expectations and spur short-term growth," said Chen Jia, a researcher at the International Monetary Institute of the Renmin University of China.

As China's economy faces multiple pressures from a complicated external environment and COVID-19 outbreaks, it is necessary for the government to step up fiscal and monetary policy support, notably long-term investment in fields essential for people's livelihood and infrastructure investment, which will strongly help stabilize the economy and employment, Chen said.

Chen added that the intelligent

Mfg to get financial fillip for upgrade

By JIANG XUEQING

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The China Banking and Insurance Regulatory Commission announced on Monday it has issued a notice of further promoting financial services to support high-quality development of China's manufacturing sector.

According to the notice, local offices of the CBIRC, banks and insurance companies should optimize the allocation of resources and promote continuous and fairly rapid growth of medium- and long-term loans for the manufacturing sector.

Banks are urged to step up financial support for the advanced manufacturing segment, strategic emerging industries, and the transformation and upgrading of traditional industries, and offer innovative financial products and services.

The CBIRC said banks should also focus on weak links in the development of the manufacturing sector, give assistance to businesses that face temporary difficulties due

to the impact of COVID-19 but had good credit scores before the pandemic, avoid withdrawing or reducing loans to such businesses, and surrender part of banks' profits to manufacturing companies as appropriate.

In past decades, the manufacturing sector took a key position in China's economic development and the shaping of its global competitiveness. Its all-around advantages in complete supply chains, higher quality and lower costs, compared with the manufacturing sector in other countries and regions, are further highlighted during the COVID-19 pandemic, said Zeng Gang, deputy director-general of the National Institute for Finance & Development.

"Looking forward, China will further optimize the structure of its manufacturing sector, enhance the quality of the sector, and make transitions from labor-intensive to technology-intensive manufacturing, from low-end to high-end manufacturing, and from energy-intensive

to low-carbon manufacturing. The transitions, supported by financial products and services, will foster China's core competitiveness during the 14th Five-Year Plan period (2021-25) or an even longer period," Zeng said.

Financial institutions should strengthen their understanding of industries and industrial chains to provide financial services, such as supply chain finance, create new business models based on the features of industrial finance, and provide a package of financial services for manufacturing businesses, he said.

The manufacturing purchasing managers' index for small businesses, an indicator of manufacturing activities, rose from 46.7 in May to 48.6 in June, according to the National Bureau of Statistics. PMI readings below 50 point to contraction.

"The effects of the COVID-19 pandemic on micro and small enterprises have been fairly huge. As small businesses are still facing challenges, China will continue to



A bank employee (left) visits a manufacturing company in Huzhou, Zhejiang province. TAN YUNFENG / FOR CHINA DAILY

give them financial support through a number of measures, including loan extensions, refinancing small business loans, and increasing the proportion of unsecured loans and the proportion of first-time borrowers," said Wen Bin, chief economist at China Minsheng Bank.

"China is currently implementing countercyclical regulation of its financial sector. Pro-cyclical regulation, which means banks will increase lending when the economy

is in good shape but reduce lending otherwise, is bad for financial stability and the safety of banks' asset quality. By taking countercyclical regulatory measures, we will maintain a stable market and lower risks in the banking sector," Wen said.

The newly released regulatory notice will guide credit resources to the sector that needs loans most, thus giving directions for financial institutions to serve the real economy, said Du Yang, a researcher with the BOC Research Institute.

Container throughput points to further rise

By LIU YUKUN and ZHONG NAN

Total container throughput of China's ports will continue to grow this year, giving support to the country's foreign trade and global supply chain operations, according to a report released on Tuesday.

Demand for logistics services in most container ports in China is showing a growth trend buoyed by trade demand, especially at Ningbo-Zhoushan Port in Zhejiang province, Qingdao Port in Shandong province and Tianjin Port, according to "Outlook of Global Top 20 Container Ports", released by the Center for Forecasting Science, part of the Chinese Academy of Sciences.

Among the world's top 10 container ports this year, seven will be in China with Shanghai Port topping the list. The country will continue to play an important role in the stable development of the world's container ports and logistics, the report predicted.

It is expected that Shanghai will have a container throughput of up to 48.2 million twenty-foot equivalent units this year, a year-on-year increase of 2.5 percent. Although overall container volume at Shanghai will decline due to COVID-19 this year, the port's average daily operating volume will remain above 100,000 TEUs, according to the report.

Ningbo-Zhoushan Port, which is expected to rank third, will see a rapid rebound in total container throughput, which is likely to reach up to 33.4 million TEUs this year, a year-on-year increase of 7.5 percent, the report said.

However, impacted by the COVID-19 pandemic and the Russia-Ukraine conflict, the global economy is facing downward pressure, which may lead to a slower growth rate of total container throughput compared with that of last year, the report added.

"Ports are an important part of international logistics and play a vital role in global trade. China is the world's largest manufacturer as well as the biggest country for trade in goods. The country's huge trading activity creates great demand for container ports," said Xie Gang, a professor at the center.

China's foreign trade rose 8.3 percent year-on-year to 16.04 trillion yuan (\$2.38 trillion) in the first five months, said the General Administration of Customs.

In the meantime, the country's exports grew 11.4 percent on a yearly basis to 8.94 trillion yuan, while imports increased 4.7 percent from last year to 7.1 trillion yuan.

"China has a relatively high-quality labor force, a complete industrial layout, a well-developed supply chain, convenient infrastructure, and agglomeration centers with greater competition in the product and labor markets, all of which enable the country to maintain its position as a top manufacturing center as well as the largest country in goods trade, and lead the world in container port development," Xie said.

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Briefly

Trade fair in Gansu sees \$79b deals

The 28th China Lanzhou Investment and Trade Fair concluded on Monday, with robust growth in the number and value of deals signed during the event held in Northwest China's Gansu province. In all, 898 deals worth 531 billion yuan (\$79.3 billion) were signed at the fair, up about 29 percent and 36 percent year-on-year, respectively.

Reverse repos add 3b yuan to system

The People's Bank of China, the country's central bank, on Tuesday conducted 3 billion yuan (\$446.4 million) of seven-day, 2.1 percent reverse repos to maintain stable liquidity in the banking system.