

POLICY DIALOGUE ON THE ECONOMIC AND SOCIAL SURVEY OF ASIA AND THE PACIFIC 2020

***Recovering Better: Aligning Post-COVID19 Recovery with
Sustainable Development in China***

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ECONOMIC AND SOCIAL SURVEY OF ASIA AND THE PACIFIC 2020

Towards sustainable economies



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1) Economic impact

◆ **The short-term impact on China's economy is relatively large, The main economic indicators in the first quarter were far lower than the normal .**

Main economic indicators in the first quarter	
Production	GDP is 206.54 trillion yuan, which is a 6.8% year-on-year decrease at comparable prices. The primary industry fell 3.2%, the secondary industry fell 9.6%, and the tertiary industry fell 5.2%.
Investment	National fixed asset investment fell 16.1% year-on-year, but investment in high-tech service industries increased. Investment in the social sector fell by 8.8%, of which investment in the health sector fell by 0.9%. Investment in bio-pharmaceutical product manufacturing and other anti-epidemic industries maintained growth.
Price	The national consumer price (CPI) rose 4.9% year-on-year. National producer prices (PPI) fell 0.6% year-on-year.
Consumption	The total retail sales of social consumer goods fell 19.0% year-on-year. The national online retail sales down 0.8% year-on-year. Among them, the online retail sales of physical goods rose 5.9%.
Foreign trade	The total value of imports and exports of goods trade fell 6.4% from the same period last year.
Special debts	The government has issued three batches of special debts with a total scale of 2.29 trillion yuan, surpassing about 2.15 trillion yuan last year. The special debt investment focuses on areas such as transportation infrastructure, energy projects, ecological and environmental protection projects.

1) Economic impact

- ◆ **The direct impact on the Chinese economy is focused on the three major areas of service, manufacturing and foreign trade.**

Economic growth depends more on service industry and consumption, and the proportion of service industry in consumption has gradually increased. During COVID-19 pandemic period, it is precisely the service consumption industry such as transportation, tourism, offline retail, culture and entertainment that has suffered the most. For example, only Ctrip.com refunded 31 billion orders during the Spring Festival. The national service sector index fell 9.1% in March. Be wary of possible debt defaults, partial corporate failures, and employee unemployment.

- ◆ **Favorable and restructuring some industries.**

Short-term: Revenues from online education, e-commerce, online games and entertainment industries have risen sharply due to home isolation. For example, In the first quarter, the online retail sales of physical goods rose 5.9%, the value added of the information transmission, software and information technology service industries and the financial industry increased by 13.2% and 6.0%, respectively.

Long-term: The society will increase investment in medical devices, medicine, biological products, ecological protection and environmental governance, 5G, and artificial intelligence. At the same time, the epidemic will strengthen the public's awareness of prevention and early warning, and stimulate the society to purchase medical and health equipment and instruments.

2) Social impact

◆ The need for the COVID-19 pandemic prevention and control has promoted the rise of a "no-touch" working lifestyle

Such as " Contactless Education Office ", " Contactless Government Affairs "and " Contactless Life Service ".

◆ Instability increases the difficulty of policy formulation and implementation

Although the state and local governments have issued a number of fiscal and taxation policies to help small and medium-sized enterprises and stabilize the labor relations during the pandemic, with the economic downturn, the implementation of such policies will inevitably be very difficult, and the formulation of environmental protection policies at this time is even more difficult.

◆ The COVID-19 pandemic has caused consumption panics and waste of resources for some residents.

Masks, protective clothing, anti-killing supplies and other health prevention and control materials are out of stock, panic outbreak caused irrational public consumption

3) *Ecological environment impact*

	pandemic period	post-pandemic period
Favorable factors	<ul style="list-style-type: none">• Increased supervision intensity of medical waste and medical sewage disposal;• The process of gradual recovery of industrial production and transportation takes a long time;• Enterprise resumption of production and production can be fully and timely grasp.	<ul style="list-style-type: none">• Eliminate excess capacity, optimize structural adjustment, and promote industrial transformation and upgrading;• Improve the level of informatization construction and strengthen the supervision.• Normalized management of emergency disposal of medical waste and hazardous waste.
Unfavorable factors	<ul style="list-style-type: none">• Increased medical waste and sewage; expanded production capacity in some industries.• On-site supervision intensity is reduced	<ul style="list-style-type: none">• Resume and expand production, making the management of enterprises more difficult;• Economic downturn, insufficient environmental protection investment

3) *Ecological environment impact*

◆ **Issued and implemented strengthened ecological environment safety guarantee**

Taking pandemic prevention and control as the most important task and top priority at the moment, established a leading group for pandemic prevention and control work

Issued policy documents related to water pollution, radiation, and medical waste were to rapidly promote and strengthen environmental emergency management.

◆ **Promote and strengthen environmental emergency management**

Dispatch the operation and disposal of medical waste disposal facilities across the country. The disposal capacity of medical waste in Hubei Province has doubled from that before the pandemic, from 180 tons / day to 373.3 tons / day; Wuhan city has increased from 50 tons / day to 100.5 tons / day.

Carry out emergency monitoring of air, surface water environmental quality, and designated hospital wastewater and urban domestic sewage treatment plant drainage standards.

Start a green channel for administrative examination and approval to ensure the production of anti- pandemic materials.

Implement the plan to purchase medical waste transport vehicles, all support Hubei Province, and focus on supporting cities such as Wuhan, Xiaogan, Huanggang, etc. Accumulatively delivered 1.7704 million tons of epidemic prevention and living materials to Hubei.

*policy measures **support** of the post-pandemic recovery as well as **promote** sustainable means of consumption and production in China*

To effectively respond to the impact of the COVID-19 pandemic, we must actively implement measures at both the economic and environmental levels, adopt green economic and financial policy tools to cope with the impact of the pandemic, and maintain a balanced relationship between the economy and the environment.

1) Economic development policies

◆ **Adopt effective macroeconomic policies to promote development**

Fiscal policy should be more proactive. The government can appropriately increase the deficit rate and issue special anti-epidemic government bonds. Trying to improve the efficiency of fund use to stabilize the economy.

A sound monetary policy should be more flexible and appropriate. The central bank can use monetary policies such as RRR cuts, interest rate cuts, and re-lending to maintain reasonable and sufficient liquidity.

Try to guide the loan market interest rate to fall. Support green investment. Establish green channels for bonds issued in epidemic prevention and issued in severely epidemic areas. Use funds to support the real economy, especially small and medium-sized enterprises.

◆ **Maintain the stability of the supply chain system**

the supply chain system is the root of economic development and the prerequisite for resuming production. While preventing and controlling the pandemic, gradually and orderly restore the flow of personnel, funds, materials, technology and data to promote the return of the supply chain to normal.

- ✓ Guarantee the normal safe production of materials needed by enterprises.
- ✓ Reduce housing rents, ease operating pressures on water, electricity, and gas.
- ✓ Policies to return or subsidize unemployment insurance premiums and reduce unemployment insurance premiums and industrial injury medical insurance premiums.

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2) Ecological Environmental Protection Policies

◆ Establish a health response mechanism for major emergencies

Innovate and prevent major pandemic measures from the system, improve the national public health emergency management system, and improve the ability to respond to emergencies.

Implement environmental and health risk level management, three levels. For the areas outside Hubei Province and Beijing, the three levels of risk grades of low, middle and high are divided and adjusted dynamically at the county level. Currently, four high-risk areas in Mainland China are in Jilin City, and two medium-risk areas are in Wuhan and Shenyang.

◆ Functioning environmental protection economic and social policy

- ✓ Green financing , increase the input to the medical wastes facilities. The medical waste in 358 cities can be treated and disposed.
- ✓ Financial inputs guaranteed. The financial inputs for pandemic has reached 116.9 billion yuan.
- ✓ Tax and subsidy. In the first quarter. The country achieved a total of 742.8 billion yuan in taxes and fees to the enterprises.
- ✓ Social governance, information disclosure

◆ Integrating biosecurity into the national security system

Promulgate the Biosafety Law as soon as possible, accelerate the construction of the national biosafety laws and regulations system, and strengthen the system guarantee.

Thanks for Listening!

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