

The Active Role-Digital Economy Played in China's Fight against COVID-19

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1.China has attached great importance to the development of the digital economy, and has widely used digital technology in various fields, forming a good foundation for development



➤As of March 2020, China's Internet penetration rate has reached 64.5%, with 904 million Internet users, 897 million mobile Internet users, and 99.3% of Internet users using mobile phones to access the Internet.

➤The number of online shopping users in China reached 710 million. In 2019, the national online retail sales reached 10.63 trillion yuan, ranking first in the world for 7 consecutive years.

➤As of 2019, China has 187 unicorn companies in the network information field.

2. In the fight against the COVID-19, the online advantage of the digital economy has played a positive role



➤ It not only effectively alleviated the impact of the epidemic on the society, but also became a new engine to promote China's economic and social development.

➤ Due to the epidemic, residents' activities have to be restricted. The new types of business from the digital economy such as Internet healthcare, online education, telecommuting, online retail, and contactless delivery provide online solutions for healthcare, education, work, life... They have grown rapidly during the epidemic, and the number of new users in these fields is also enjoying rapid growth.



Image source: Baidu Gallery

3. Internet Medical Care

- In the early stage of the epidemic, the relevant Chinese authorities issued policies to relax the restrictions on market access for Internet hospitals, and made it clear to include the common and chronic diseases during the epidemic into the medical insurance through the "Internet+" medical follow-up and pharmaceutical services.
- Encouraged by these policies, traditional medical institutions and the new Internet hospitals have been actively developing Internet medical services. Hence, they have greatly alleviated the problem of limited offline outpatient clinics caused by the epidemic, and made it convenient for the patients.
- At the peak of the epidemic, the Internet diagnoses and treatment from hospitals under the management of the National Health Commission increased 17 times compared to the same period last year. At some third-party Internet service platforms, the volume of diagnoses and treatment consultations has increased by more than 20 times compared to the same period last year, and the number of prescriptions has increased by nearly 10 times.

4. Online Education

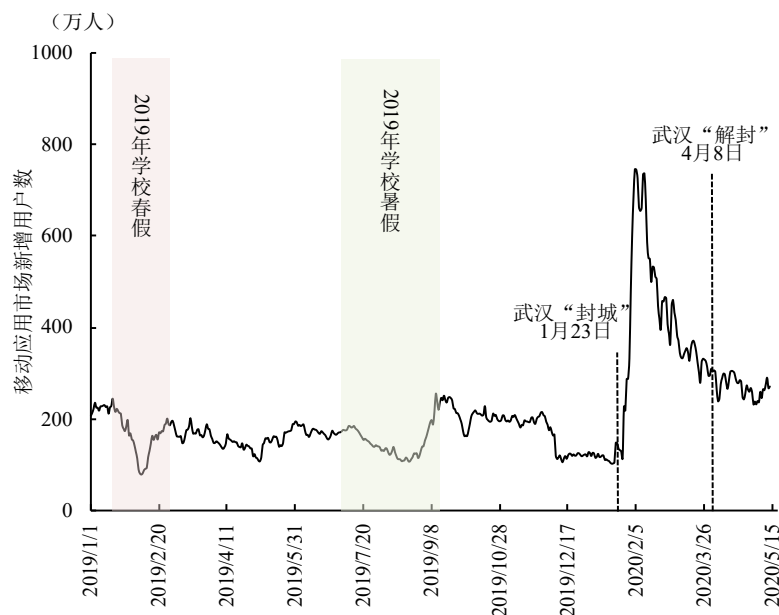


Fig. Number of new users of online education apps

Note: Select 50 typical applications in this field from 8 mobile application markets, and calculate the daily new downloads

➤ During the epidemic, the strategy of “learning from home” has made online education a hot spot.

➤ Big data analysis shows that the use of online education applications has grown rapidly during the epidemic. From January 23, 2020, when Wuhan was "locked down" to February 4, the number of daily new users increased sharply from 1.34 million to 7.45 million.

➤ After February, the number of new users has gradually declined, basically stabilizing at about 1.7 times of that before the epidemic.

5. Online retail



Image source: Baidu Gallery

➤ During the epidemic, online shopping became the major way of consumption.

- According to China's economic data for the first half of the year released by the National Bureau of Statistics, the total retail sales of consumer goods in the first half of the year was 17.2 trillion yuan, down 11.4% year-on-year, while the national online retail sales reached 5.15 trillion yuan, up 7.3% year-on-year.

- During the epidemic, the "live-streaming sales" model developed rapidly. The customers were mainly young people. "Internet celebrities" spokespersons used "fans" traffic to drive sales of goods.

6. Logistics and Contactless Delivery



➤ Retail e-commerce has promoted the development of the logistics industry and alleviated the impact of the epidemic on everyone's daily life.

• According to the China Express Development Index Report for June 2020 issued by the State Post Bureau, in the first half of the year, it is estimated that a total of 34 billion pieces of express delivery have been completed, with a year-on-year increase of over 22%.

➤ In addition to traditional express delivery, new forms of logistics such as takeaway are also developing rapidly.

➤ The demand for contactless delivery in the epidemic has prompted the emergence of methods such as smart express cabinets and drone delivery.



Image source: Internet

7. Telecommuting

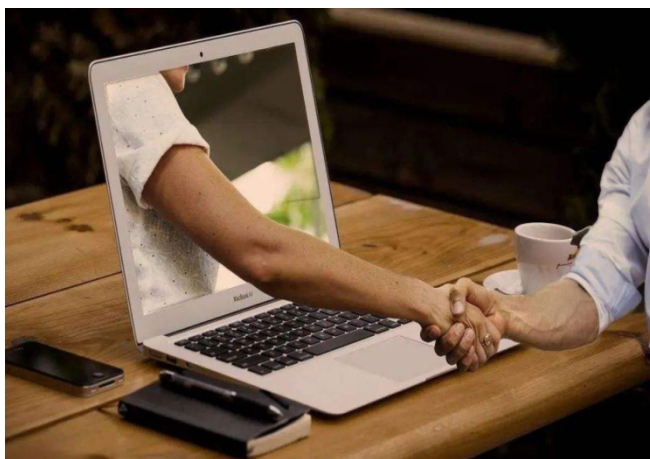
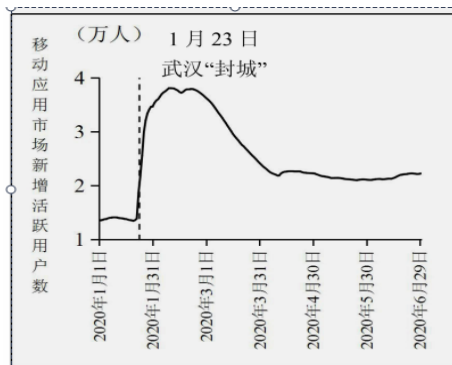


Image source: Baidu Gallery

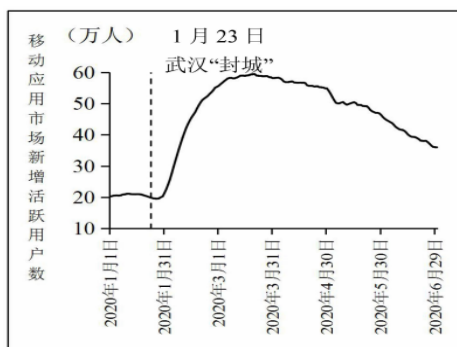


- Telecommuting is a common choice for government departments and enterprises during the epidemic.
- After the outbreak of the epidemic, the number of new active telecommuting users in the mobile application market rapidly increased by three times of that before the epidemic, and began to stabilize after March.
- For example, the number of daily active accounts of the Tencent Meeting exceeded 10 million at the end of March.

8. As the epidemic has increased people's acceptance of the online economy, most areas have maintained a good momentum of development after the epidemic subsided



Number of new Internet Medical Care

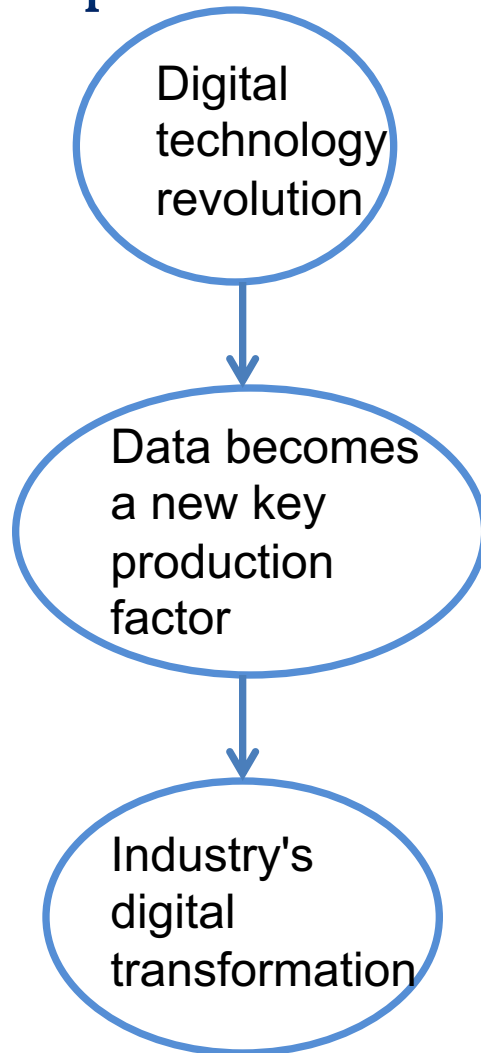


Number of new telecommuting users

➤ Although the situation of epidemic prevention and control has gradually improved, some offline activities have replaced the online forms adopted in the early stage of the epidemic, and the number of new users in the new business forms of the digital economy has gradually fallen. However, the number of active users in most areas is still higher than that before the epidemic.

➤ This shows that with the normalization of epidemic prevention and control measures, people's production and lifestyles have undergone some long-term changes, and the acceptance of the digital economy has increased.

9. While digital technology has alleviated the impact of the epidemic and promoted economic development, it has also promoted some industrial reforms



➤ Advances in digital technology have greatly reduced the cost of data circulation and utilization, making it a new key production factor.

➤ Changes in production factors have triggered changes in production methods. R&D, manufacturing, industrial organization, etc. will all be restructured around new technological systems and production factors.

➤ The integration of digital technology and traditional industries has promoted the digital and intelligent transformation of various industries. It has also formed some new business forms and models. The epidemic has accelerated the process of digital transformation in various industries.

10. At present, the Chinese government is responding to the development trend of the digital economy, accelerating the promotion of digital governance innovation, and promoting the digital transformation of traditional industries



➤ The government issues policies and measures to promote the development of the digital economy.

• For example, the government has carried out pilot trials for the first diagnosis of Internet medical treatment and built a data element market to promote the sustainable and innovative development of the digital economy.

➤ After experiencing the baptism of the epidemic, the development of China's digital economy will definitely become stronger.

Thank you!