

Countermeasures and Suggestions on Wenzhou Digital Empowerment to Boost Economic Vitality after The Epidemic

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Abstract: This paper analyzes how to use digital to boost economic vitality in Wenzhou under the new situation of the epidemic. In the late period of the epidemic, Wenzhou's economy was weak, the industrial chain was not strong, foreign trade growth slowed down and the real estate market was sluggish, etc., which required multiple strategies to stimulate economic vitality. Based on the analysis of the current economic development situation, this paper has certain practical significance to boost the economic vitality of Wenzhou with the active development atmosphere of the digital economy.

Keywords: Digital economy, Economic vitality, Wenzhou.

1. Introduction

Since 2022, China's economy has been affected by multiple adverse factors, and its growth has been greatly impacted. The central government has introduced a series of measures to stabilize economic growth and enhance economic vitality: On May 31, The State Council issued a package of policy measures to stabilize the economy, a total of 33 measures in six areas; On August 24, the executive meeting of The State Council deployed 19 successive policy measures to stabilize the economic package, and strengthened the foundation of economic recovery and development; At the executive meeting of The State Council on October 26, The State Council deployed the continuous implementation of a package of policies and follow-up measures to stabilize the economy, promote the further stabilization of the economy, deploy the acceleration of the release of the effect of expanded consumption policies, and support the rescue and development of enterprises. According to the deployment requirements of the central government and the provincial Party committee and the provincial government, Wenzhou has introduced "40 measures in 8 aspects of stabilizing the economy in Wenzhou", "24 measures to further reduce the burden of relief to help the development of small and medium-sized enterprises", "30 measures to help the relief and development of individual industrial and commercial households" and other policy measures. The overall situation of economic development is improving, but the survey also found that the current pressure on Wenzhou's economic operation continues to increase. The trend of slowing growth is more obvious, market players are facing multiple difficulties, and the internal driving force needs to be strengthened, which needs to attract high attention from relevant parties.

2. The Main Problems in The Current Economy

2.1. The toughness of the industrial chain is not strong, and the ability to resist risks is weak

Under the three major pressures of demand contraction,

supply shock and expected weakening, Wenzhou enterprises are faced with many difficulties: first, the phenomenon of broken chain in the industrial chain supply chain. Wenzhou traditional advantage industries, shoes and clothing and other light industry as a short industrial chain, coupled with Vietnam and other places have a good momentum of development, more prone to industrial transfer, chain break pressure is relatively large; Second, the cost pressure of enterprises is increasing. Production costs such as raw materials and labor are rising, and product demand is shrinking, squeezing the profit space; Third, corporate financing channels are not smooth. There are still many explicit and implicit barriers to financial services for smes, and many banks are reluctant to lend; At the same time, private finance has not yet played the role of "financial capillary". Fourth, it is affected by the epidemic control. Since the outbreak, the biggest impact has come from uncertainty about the future, with excessive epidemic prevention in some places, and enterprises affected by temporary stoppage and production.

2.2. The growth rate of foreign trade has slowed down, and the vitality needs to be further stimulated

Due to the Yangtze River Delta, the Pearl River Delta and other "important foreign trade towns" have been affected by the epidemic to varying degrees, coupled with the Russia-Ukraine conflict and high fluctuations in global commodity prices, supply chain bottlenecks are difficult to ease, the risk of new stagflation has increased significantly, and the external environment has become more complex and severe and uncertain. From January to February this year, the city's total imports and exports of goods were 39.86 billion yuan, 33.88 billion yuan and 5.99 billion yuan, respectively, down 7.8%, 7.2% and 11.1% year-on-year, and the two-year average growth of 7.7%, 6.2% and 17.8% respectively. The trade structure continued to improve. Exports of mechanical and electrical products and high-tech products increased by -2.8% and 0.7% respectively, 4.4 percentage points and 7.9 percentage points higher than the average export growth. Exports to the United States, Russia, Africa and Latin America increased by -3.0%, 5.0%, 6.1% and -1.5%,

respectively. The growth rate of foreign trade has slowed down, and the structure of foreign trade needs to be optimized. The RCEP, which came into effect this year, brings both opportunities and challenges. For example, in the RCEP framework agreement, Wenzhou and ASEAN have more overlap in trade categories, and some low-end manufacturing industries are facing more intense competition, which may cause accelerated relocation; The garment industry, auto parts industry and pump and valve industry are still at the medium level of development, the international competitiveness is low, the development is relatively slow; Japan and South Korea in the upstream of the industrial chain can use their technological advantages to suppress related enterprises. How to make good use of RCEP rules needs in-depth study.

2.3. The market consumer demand is weak, and the real estate industry continues to decline

Affected by the epidemic and the overall environment at home and abroad, the consumer market has suffered from poor channels and lack of confidence, and the growth rate of total retail sales has declined significantly. From January to August 2022, the total retail sales of social consumer goods in Wenzhou was 250.46 billion yuan, an increase of only 3.2%, not only much lower than the 14.2% growth in the same period last year, but also lower than Ningbo (5.0% growth) and Jiaxing (10.7% growth); The total sales volume of wholesale and retail industry above quota in the city from January to August was 678.354 billion yuan, an increase of 14.5% year-on-year, much lower than the 39.5% growth rate in the same period last year; From January to August, the city achieved a cumulative online retail sales of 131.4 billion yuan, an increase of 3.3%, the growth rate in the bottom of the province, and the growth rate of online retail sales ranked last in the province for two consecutive months. In addition, the real estate industry, which has the reputation of "economic driving force" and "ballast stone of the national economy", continued to decline in the first half of the year, the transaction of new homes and second-hand houses in Wenzhou fell sharply year-on-year, and the property market hit the lowest value of turnover in nearly 10 years. Many problems such as unfinished buildings, delayed delivery of housing and unclear division of public share area affect the willingness of buyers to buy, resulting in a series of chain reactions such as shrinking the sales scale of commercial housing, sharp decline in sales revenue of development enterprises, and intensifying debt repayment pressure, affecting the virtuous circle of the real estate market.

With the rapid development of digital technologies, the new driving force of the digital economy continues to strengthen and has become a key driving force for high-quality economic development. In September, Wenzhou Municipal Party Committee and Municipal Government issued the "Implementation Opinions on Vigorously Developing Digital Trade", which requires adhering to the guidance of digital reform, focusing on core industries, open platforms, ecological development, regulatory mechanisms and other fields, and building Wenzhou into a digital trade pioneer city with perfect cross-border e-commerce ecology, rapid growth of digital service trade, and remarkable cultural trade characteristics. It is suggested to take digitization as the lead to enhance industrial resilience, explore new international markets, meet and create new demand to stimulate economic vitality, stimulate economic growth, and

help build a "millennium commercial port and happy Wenzhou".

3. Countermeasures and suggestions

3.1. Support enterprises: with digital benefit enterprise rescue, enhance the toughness of the industrial chain

The first is to help industry associations or chain owners build digital platforms. Strengthen online and offline exchanges and cooperation between enterprises in the industry, enhance the resilience of the local industrial chain, and make the internal circulation volume larger. Boost the digital and intelligent transformation of enterprise production links, which is also an important way to promote the high-quality development of the industry and achieve efficiency change. We should continue to implement a new round of intelligent transformation actions, and subsidize and reward enterprises that carry out technological transformation such as the construction of digital workshops (smart factories), the promotion and application of industrial Internet, and the transformation of automation complete sets of equipment, as well as intelligent manufacturing service platforms (institutions) that participate in the intelligent transformation of enterprises. Comprehensive integration of digital technology, out of a "machine replacement", "factory Internet of things", "enterprise cloud" to the "future factory" intelligent manufacturing road. Encourage Internet platforms to strengthen the development of digital intelligence technology, meet consumer demand around cost, efficiency, experience precision and other aspects, and create a digital intelligence social supply chain.

The second is to deeply help enterprises do a good job of online promotion activities. It is suggested to provide some public media resources, television, Internet platforms, public accounts, etc., to release information, expand publicity and create an atmosphere for the promotion of sales activities of industries and enterprises. In-depth promotion of enterprise online through network live delivery of goods, "cloud sales" and other ways of publicity, continue to increase the support of famous enterprises and famous celebrities and publicity and promotion efforts, and strive to build the reputation of Wenzhou brand, and constantly improve the visibility and influence of "Made in Wenzhou".

The third is to issue a certain number of small, medium and micro "enterprise support vouchers". In order to support the operation and production of enterprises, it is proposed to issue "enterprise support vouchers" to small and medium-sized enterprises in accordance with certain standards as vouchers for paying taxes, paying rent and staff salaries; After receiving the voucher, the landlord and employees can use it to buy consumer goods and pay utility bills within a certain range. This will help to give substantial support to enterprises, while avoiding the side effects of reducing government revenue brought about by policies such as tax and rent relief, and avoiding the obvious inequity between enterprises leasing government real estate (deductible) and private real estate (non-deductible). At the same time, it is suggested to increase financial support for micro, small and medium-sized enterprises, and provide 1-2 years of low-interest or even interest-free commercial loans to help enterprises overcome difficulties.

The fourth is to increase support for life service industries such as catering and cultural tourism. Under the premise of

effective prevention and control of the epidemic, policy guidance should be given to leisure resources such as hotels, homestayings, and scenic spots, and it is suggested to set up "Wenzhou special exhibition" or "Wenzhou special museum" with the help of online platforms, and achieve instant sales with "preferential pre-sale method" in order to obtain the future market. At the same time, market entities are encouraged to hold fairs and exhibitions, plan "brand factory stores" by region, lay out temporary bus lines, guide citizens to shop offline, and help the traditional consumer goods industry inventory and return funds before the end of the year, such as shoes, food, daily necessities. It is suggested that the relevant departments sort out some vacant or can be vacated venues and places for industries or enterprises to apply for exhibition and sale of products, and thus promote other offline consumption.

The fifth is to help enterprises to expand new areas and develop new customers. It is suggested that for the equipment manufacturing industry of specific customer groups, such as pumps, valves, electrical equipment, etc., the relevant departments should assist the industry and enterprises to visit and visit, relying on various associations, alliances, sub-industries, sub-topics, and normal digitalization to carry out product-marketing connection activities. Actively build industrial chain and supply chain coordination and matching platform. We will further optimize the resource allocation of the industrial chain, encourage leading backbone enterprises to open up resource elements and supply chains to small and medium-sized enterprises, guide small and medium-sized enterprises to focus on detailed fields, improve the capacity and level of cooperation and support, and promote win-win cooperation and integrated development of upstream and downstream enterprises in the industrial chain.

3.2. Expanding the market: dredging channels through digitalization to help enterprises expand new international markets

It is necessary to make good use of the opportunity to join the RCEP, preempt the layout, accurately plan to introduce special import and export policies for the 5+5+N advantageous industries in our city, and strengthen research and discussion about the problems and countermeasures faced by Wenzhou to develop the export-oriented economy with high quality using the RCEP rules.

First, the rational use of RCEP rules to strategically layout foreign trade industries. It is necessary to make good use of the rules of origin for enterprises, unblock the logistics channels between Wenzhou and RCEP member states, guide enterprises to rationally carry out overseas layout, create a service system for Wenzhou's industry to "go out", guide enterprises to properly respond to non-tariff trade barriers, and form new advantages in international economic competition and cooperation. In view of the impact of US tariffs, for example, enterprises can set up factories in Southeast Asia to take advantage of labor cost advantages, while achieving zero-tariff exports, and achieve tariff preferences for raw and auxiliary materials exports with the help of RCEP policy, so as to achieve foreign production investment layout in a curved way, strengthen research and development and technology in domestic production bases, improve product quality, optimize customer structure, and create middle and high-end products. Realize the strategic layout of walking on two legs.

Second, it is to guide industry enterprises to actively

participate in the reconstruction of regional industrial chain. To promote the city to Europe and the United States as the main market for glasses and other industries to accelerate the integration of the RCEP market system, it is proposed to establish a regional professional industrial cooperation committee, optimize the layout of the foreign sales industry chain, and cultivate the RCEP region's "brand look at Wenzhou" image. At the same time, by taking advantage of the "One Belt and One Road" trade, seize the opportunity of the development of local cross-border e-commerce in emerging markets to achieve new development of the industry and achieve the expansion of Wenzhou brand. Taking the automobile and motorcycle parts industry that has achieved good development after joining RCEP as an example, it is recommended to take targeted measures: The first is to establish Wenzhou auto parts industry supply chain, strengthen the Wenzhou auto parts industry and overseas economic and trade cooperation zones, industrial parks, and actively promote Wenzhou auto parts enterprises to participate in overseas exhibitions, the establishment of Wenzhou auto parts industry overseas development alliance, the establishment of auto parts overseas industrial park; Secondly, it is necessary to strengthen the research on the ASEAN auto parts market, clarify the key export market of Wenzhou auto parts industry, guide and promote the research and development of key products and competitive products; The third is to strengthen the export financial support for automobile and motorcycle products, provide diversified financing means, and encourage the export of automobile and motorcycle products.

3.3. Promote consumption: Ignite consumption with digitization, drive market expansion and improve quality

With the accelerated penetration of digital technology to various industries and application scenarios, the acceleration of online and offline integration, the continuous change of consumption habits and the support of national and local policies, the future digital consumption will continue to maintain a hot momentum of development. At the same time, people's demand for digital products and services such as smart connected cars, smart homes, wearable devices, online medical care, and online entertainment is expected to further increase, and the prospect is promising.

First, Service consumption should be boost. Expand the scope of Wenzhou consumption vouchers. Plan to issue "Wenzhou consumption coupons" for the "Yangtze River Delta" region or even a larger scope to buy Wenzhou products and expand the domestic market. Under the willingness of the platoon enterprises to participate, the development of the management rules for the use of consumer coupons, the development of network publicity warm-up activities, and the cooperation with well-known e-commerce platforms to carry out "Wenzhou special" activities. And do a good job of preventing and resolving various risks in the early deployment, so as to improve the effectiveness of the use of consumer coupons.

Second, investment and consumption in key areas should be consolidated. Multiple measures were taken to stabilize and activate the real estate market. In accordance with the central directive spirit, earnestly do a good job of "ensuring the delivery of buildings and stabilizing people's livelihood" work. To prevent the completion of projects in an important position, the government, the financial sector, real estate

enterprises to strengthen coordination, to ensure the delivery of buildings. We will actively support rigid housing demand. First of all, according to the characteristics of the industry and the purchasing power of the workers, it is suggested to regulate the supply of small and medium-sized apartments, medium and low price new commercial housing and the supply of "small and medium-sized apartments" commercial housing for commercial land transfer in hot areas; Secondly, it is recommended to encourage all kinds of talents in line with the Wenzhou talent catalog, apply for talent housing, encourage the system has not yet enjoyed the affordable housing policy and housing subsidies have not bought party and government cadres talent to buy, and give appropriate housing concessions, it is recommended to sell the talent room of the fully renovated house, the decoration part is also applicable to discounts, encourage outside Wenzhou people to return home to buy, And use digital means to do online publicity; Third, encourage the digital transformation of housing enterprises, in the construction, management of housing, and future housing decoration, especially the interior decoration of fully renovated houses, you can use digital means to more accurately match supply and demand.

Third, we will do a good job in supporting the expansion and quality improvement of digital consumption. In the process of promoting the sustainable development of digital consumption, accelerate the construction of new consumer infrastructure, vigorously promote the construction of 5G networks and the Internet of Things, improve the logistics infrastructure in rural areas and remote areas, and accelerate the digital upgrade of rural business circulation. In addition,

we should strive to optimize the consumer market environment, strive to create a fair and just market trading order, improve the consumer rights and interests protection mechanism, and effectively safeguard the rights and interests of consumers.

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