



E-Commerce Paved New Path for Poverty Alleviation and Prosperity

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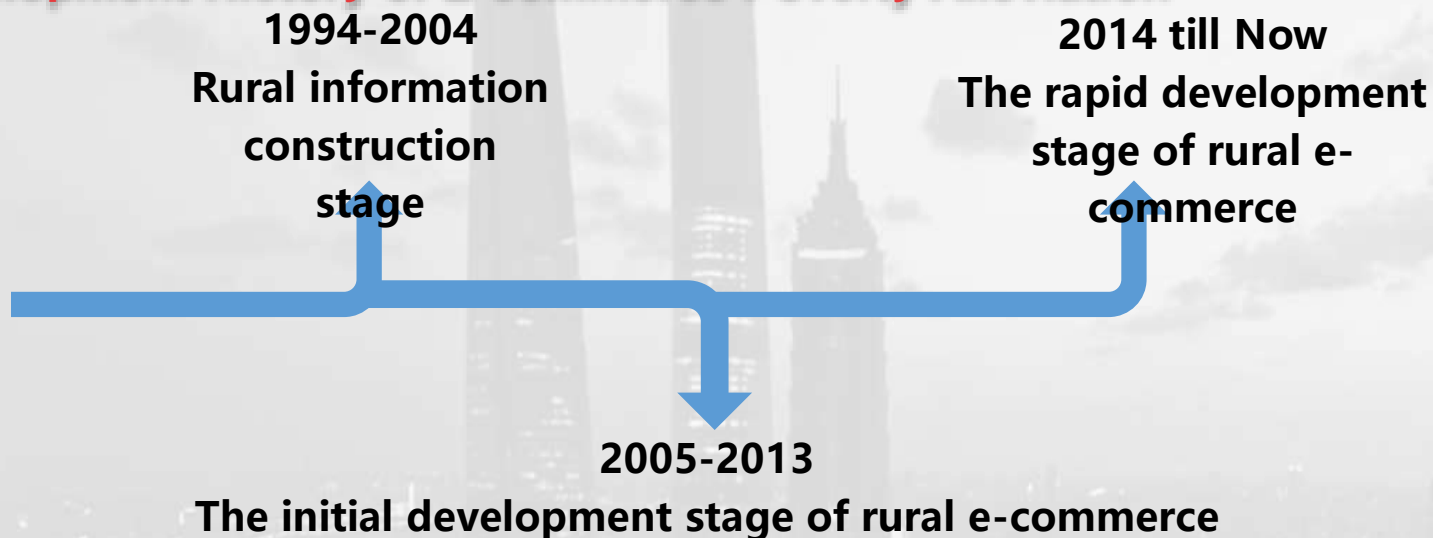
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The China Experience

Development History of E-commerce Poverty Alleviation



- Rural informatization construction stage: infrastructure construction, communication services, IT services, to enable the promotion of broadband and info. Platform in rural areas.
- The initial development stage: e-commerce expanded, info. services transitioned into trade services. Some rural areas tried to sell & buy from Taobao. Industrial products were sold and distributed to rural areas.
- The rapid development stage of rural e-commerce: Top national strategy aligns with industry development trends. Rural e-commerce develop rapidly. Mega e-commerce companies deploys in the rural areas and started "Go to the Rural Areas" Campaign.

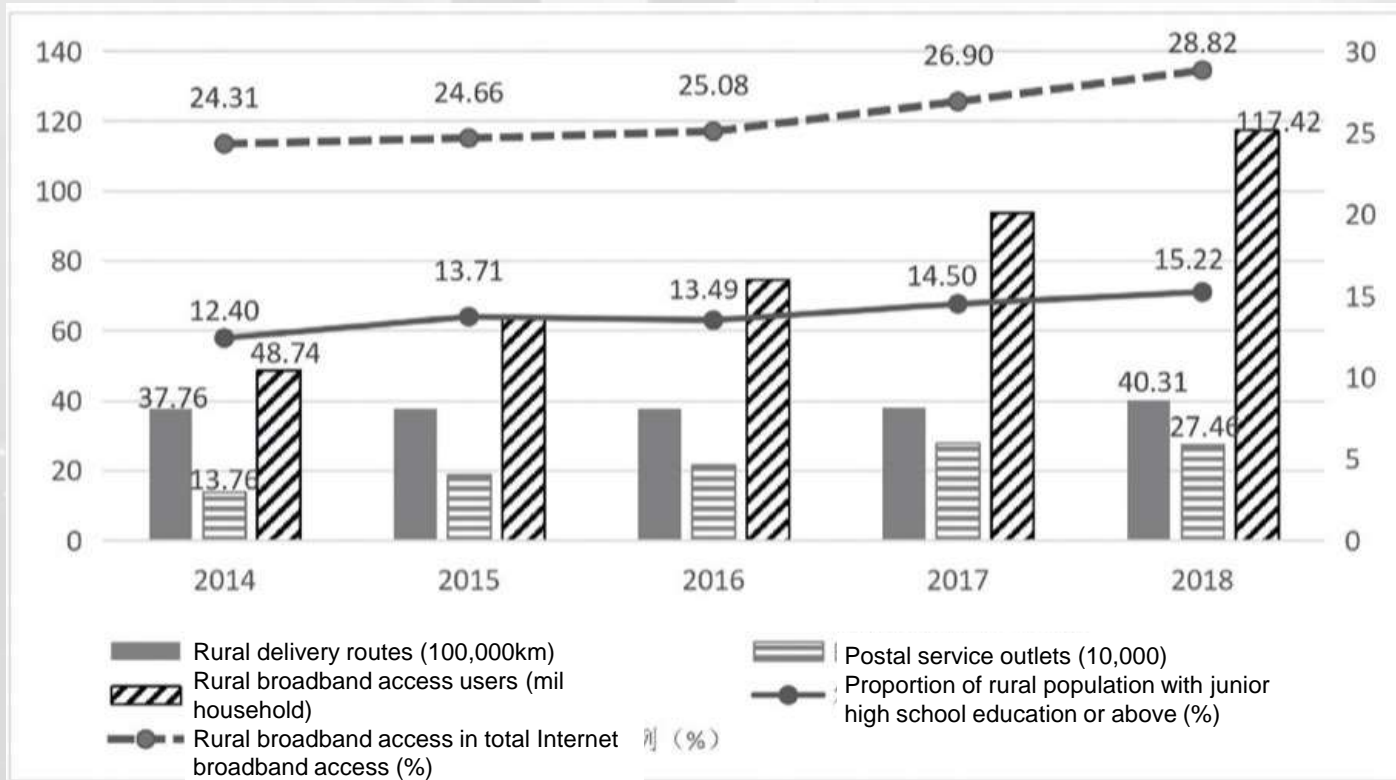
Development Basis of Rural E-commerce

Time of Issuance	Issuer	Policy
Nov. 2015	State Council	Guiding Opinions on Promoting the Accelerated Development of Rural E-commerce
Nov. 2015	CCCPC, State Council	The Decision to Win the Battle Against Poverty
Nov. 2016	CCCPC, State Council	Guiding Opinions on Promoting E-commerce Targeted Poverty Alleviation
May, 2018	CPAD, MOF, MOFCOM	Notice on Launching the Comprehensive Demonstration Work of E-commerce in Rural Areas in 2018
June, 2018	CCCPC, State Council	Guiding Opinions on the Three-year Action to Win the Battle against Poverty
Feb. 2019	State Council	Opinions on Promoting the Organic Connection between Small Farmers and the Development of Modern Agriculture
March, 2020	NDRC	2020 Action Plan to Use Consumption for Poverty Alleviation to Decisively Defeat Poverty



The development of e-commerce in rural areas has received more and more attention from the central government. Beginning in 2014, the central government has successively introduced several policies to promote the development of rural e-commerce, including both strategic plans and specific rules, to point out the direction for the development of rural e-commerce and remove policy obstacles.

Development Basis of Rural E-commerce

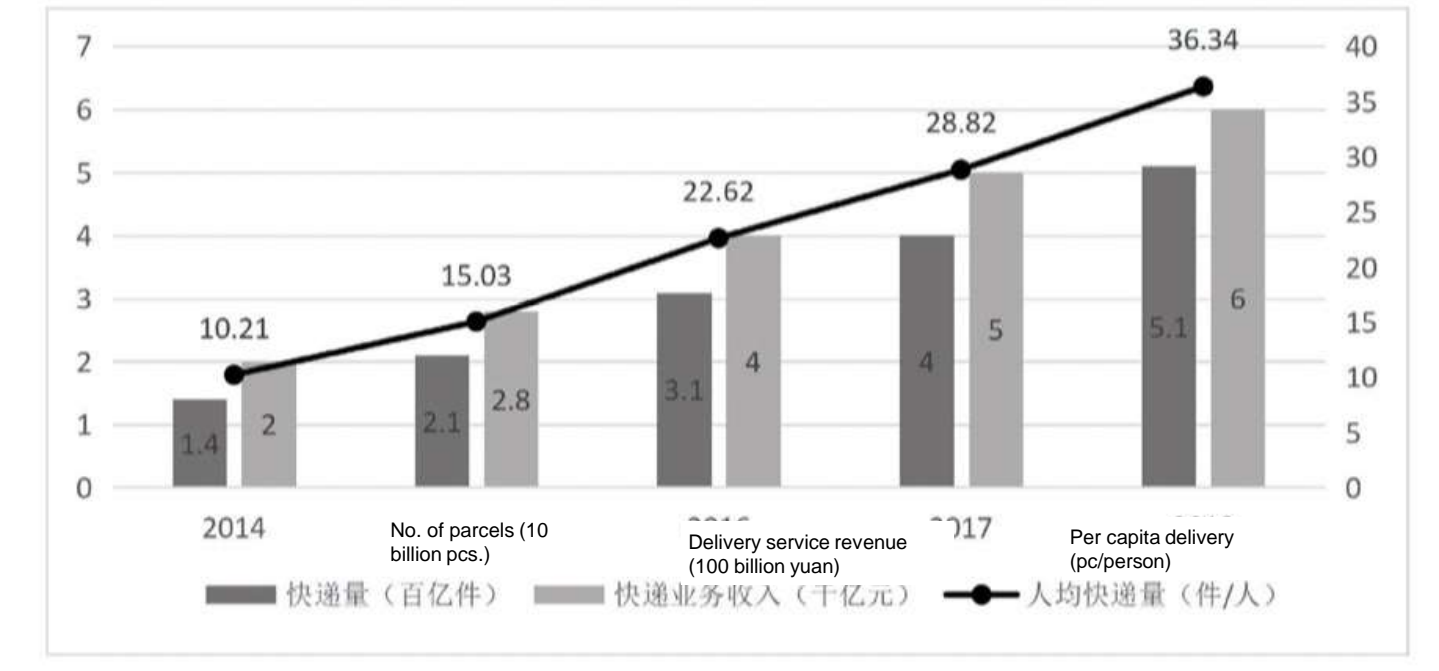


2014-2018 China's rural infrastructure construction

Rural E-commerce Transaction Scale

- The scale of online shopping users has continued to expand in recent years. In March 2020, the scale of online shopping users reached 710 million, an increase of 71.9% compared to 2015.
- From 2014 to 2019, online retail sales in rural areas increased from 180 billion yuan to 1.7 trillion yuan, and the overall scale increased by 8.4 times. The rural market has huge potential.
- The volume of express delivery and the income of express delivery business can indirectly reflect the development status of e-commerce. In 2018, the total amount of express delivery reached 50.71 billion pieces, and the per capita holdings increased from 10.21 pieces in 2014 to 36.34 pieces. The income of express delivery business also tripled between 2014 and 2018, increasing to 603.843 billion yuan.

Rural E-commerce Transaction Scale



2014-2018 Delivery service business volume and revenue

Effectiveness of China's E-commerce Poverty Alleviation

Rural e-commerce boosts
Rural Revitalization

Factors
Movement



Provide production
factors



- **Information Technology Factor**
- **Human Resources Factor**



Effectiveness of China's E-commerce Poverty Alleviation



- Feature agricultural products development and brand building
 - Optimization of the agricultural industry structure
 - Promote industrial integration

Effectiveness of China's E-commerce Poverty Alleviation



- **Achieve targeted poverty alleviation**
- **Rural governance and modernization of public services**
 - **Improve rural civilization**



Focus on Talent Training

Duoduo Univ.: "Keep talents in the countryside"

Pinduoduo specially established an e-commerce training team "Duodu University", and jointly established an "e-commerce poverty alleviation training base (point)" with the local governments of impoverished counties. In 2018, Pinduoduo has supported a total of 18,390 new rural businesses, of which more than 11,000 are returning home talents. In the past three years, Pinduoduo has trained more than 62,000 new farmers.



Driven by the new farmers in Pinduoduo, the processing of agricultural and sideline products in some counties has been significantly upgraded. The packaging and packaging production line of popular agricultural and sideline products processing areas in the county has realized 24-hour operation.

Feature agricultural products development and brand building

Launched "Yunnan Harvest Festival"

Pinduoduo went to Hekou, Pingbian and Honghe counties in Honghe Prefecture, Yunnan, and selected local iconic agricultural products to start the "Duo Duo Poverty Alleviation Day". At the same time, the platform also focused on the launch of Dali single garlic, Honghe black grapes, Laobanzhang Pu'er tea, and other specialty agricultural products with regional brand attributes, and integrated a fast channel for scattered agricultural products to directly reach Pinduoduo's 418.5 million users



Pinduoduo went to national poverty-stricken counties and launched the "Yunnan Harvest Festival".

》》》 Improve infrastructure

Deepen the logistics system and boost rural logistics

For targeted poverty alleviation, logistics always go first. JD Logistics leverages its supply chain advantages, starting with cold chain networks and production warehouse construction, integrating e-commerce platforms, supply chain finance and other resources to provide farmers in poverty-stricken areas with “one-stop” poverty alleviation. JD Logistics is also exploring “project-based” poverty alleviation. When fresh products are put on the market in remote areas, JD mobilized manpower, equipment, and resources to the place of production for centralized transportation and sales.



A series of actions taken by JD Logistics opened the way for farmers to get rich and solved the “last mile” problem of poverty alleviation.

»»» Digital agriculture

“One Thousand U.S. Dollar Yield per Mu” by Alibaba

Alibaba Digital Agriculture Division and the team of Academician Yuan Longping reached a cooperation agreement: in the next three years, to develop 200,000 mu of saline-alkali-tolerant rice in Xing'an Inner Mongolia League, which will double the income of local rice growers. At the same time, Alibaba's "One Thousand U.S. Dollar Yield per Mu" Academician Aid Agriculture Cooperation Program was officially launched. Alibaba's Digital Agriculture Division is responsible for building technology farms and streamline the production, supply and marketing system.



The YuanMeng rice tested by the team of Academician Yuan Longping has an average yield of 508.8 kg per mu and a taste value of 90 points.

Deepen targeted poverty alleviation

"Chicks Build Dreams" Project Helps Alleviate Poverty

In response to the county's weak industries, insufficient motivation, and poor skills and poor poverty alleviation capabilities, the Huade County Party Committee and government organically integrate existing e-commerce resources, facilities, mechanisms and other effective resources, and vigorously implement the "chick dreams" poverty alleviation. The project forms a linkage mechanism of "government + poor households + base + village committee + e-commerce service center".



Feeding chickens and collecting eggs have become the daily routine of Li Guiying, a villager in Xinwusu Village.

Five Innovations of "Grouping Farming Goods Model"



Effectiveness of cross-sectoral cooperation in poverty alleviation "1+1 > 2"

Cooperative innovation

Idea innovation

First to introduce "Grouping to assist donation" to achieve seamless connection of production and sales



Implemented the "Duo Duo Farm" and used the agricultural industry chain to "leave the benefits to the farmers"

Model innovation



Grouping to assist donation



Poverty alleviation and public welfare + e-commerce festivals, normalization of poverty alleviation and assistance to farmers

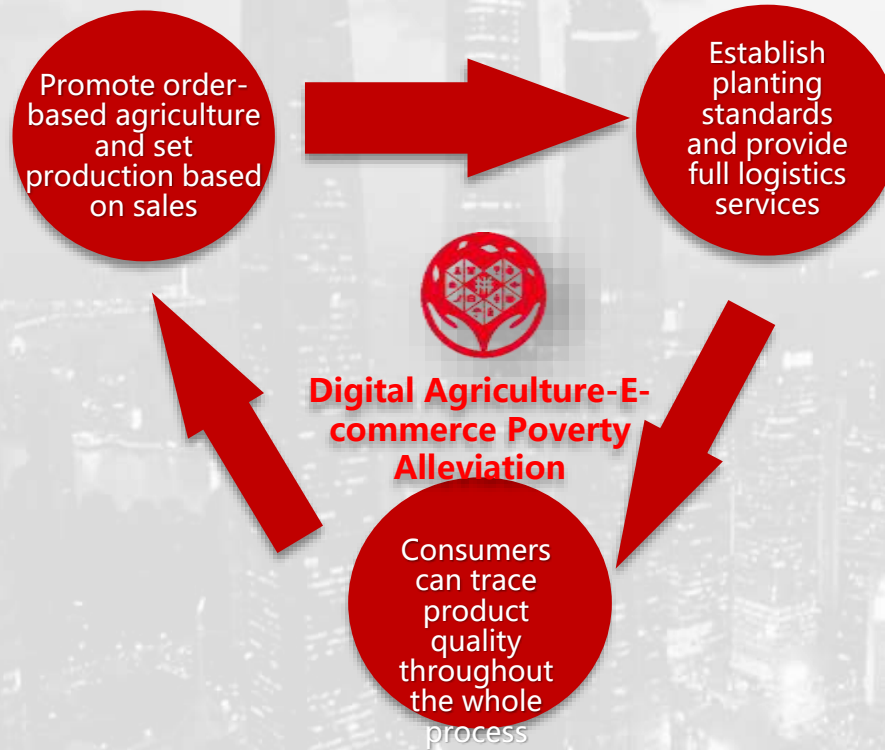
Offline innovation

Training innovation

Create a "new rural business" and promote a new mechanism to "keep talents in the countryside"



Go to the World





**Reform and opening up to make
the country prosperous and
strong**

**Targeted poverty alleviation to
build a well-off society in an all-
round way**