



Visitors return to the food street in Taiyuan as local restaurants resume their business activities. WU LIUHONG / FOR CHINA DAILY

Shanxi's small businesses get tax breaks to recover from pandemic

中国山西
China Shanxi
Province's taxation authorities mount efforts to help micro enterprises grow

By YUAN SHENGGAO

Liu Haitao, an owner of a restaurant in Taiyuan Food Street, a hub of catering businesses in the Shanxi provincial capital of Taiyuan, was glad to see diners gradually return over the past few weeks.

"The past three years was extremely difficult for small businesses like mine due to the COVID-19 pandemic," Liu said. "I'm satisfied that I can still keep my business moving."

He said the local government has offered crucial support to his operations and that is why he is freed from the worry of bankruptcy.

He especially mentioned the reduction of taxes and charges, saying it was among the most helpful of policy measures the government had implemented to help with economic recovery.

"When smelling the increasingly dense fragrance of various snacks

and food, hearing the louder noises of hawking and bargaining, I know everything is back," Liu said. "And we know our future is assured."

The scene on the street is a positive sign of the recovery of business activities in Taiyuan as well as the entire province of Shanxi, especially for small, household operations.

Since the outbreak of the COVID-19 pandemic at the end of 2019, how to help small businesses survive has been a top priority of the taxation administrations at all levels in Shanxi.

An official with the Shanxi Local Taxation Bureau said that the province's taxation authorities have made sustained efforts to help small, micro businesses grow.

"We have made several upgrades to our preferential taxation policies as the pandemic proceeded," the official said.

In 2020, small corporate taxpayers that are composed of mostly household businesses, saw their value-added tax decline to 1 percent from the previous 3 percent per their taxable sales revenue. At the same time, they were allowed to delay their personal income tax payments if they had difficulties in operations.

A new policy was released in 2021 allowing small business owners to have a value-added tax exemption for a part of annual business revenue worth 150,000 yuan (\$21,450), compared with 100,000 yuan in 2020. A

50 percent reduction in the tax was applied to annual sales revenue between 150,000 yuan and 1 million yuan.

This year, the incentives were further expanded, allowing a periodical exemption of all value-added tax for small businesses in case of difficulties caused by pandemic outbreaks.

In addition to tax reduction and exemption, household businesses also enjoy a reduction in various charges for unemployment insurance, workplace injury insurance and pensions.

In China, the various insurance schemes that form the social security system involve the funding contributions from the government, business entities and individuals. The exemption of business contributions means a substantial cut in operational costs.

Local statistics show that, the reduction of taxes for small and micro enterprises in Shanxi amounted to 29.16 billion yuan in a period spanning from 2020 to September this year. The value accounted for 39.94 percent of the total amount of taxation incentives to all enterprises in Shanxi during the period.

The preferential taxation treatment to small and micro enterprises is not simply about subtraction, the official said. He explained that meticulous services are needed to ensure that all business owners can directly benefit from the incentives.

"Small business owners are not always well informed, so we need to make all the new policies known to them," the official said.

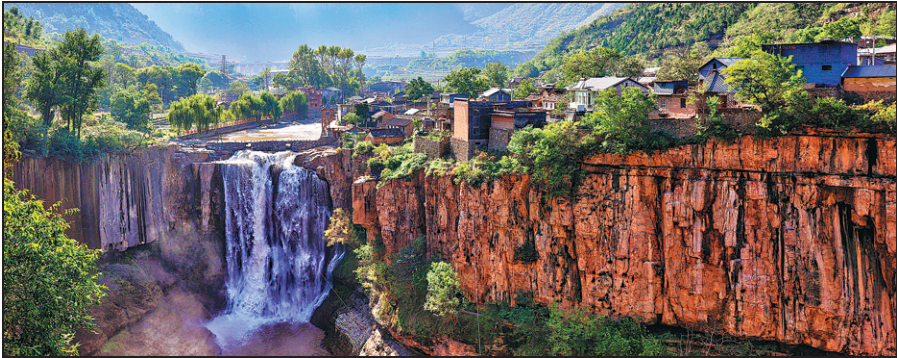
"Even if they are informed, they might not be familiar with the procedures in dealing with tax reduction or rebates. In this case, taxation officials will offer them assistance to complete all the procedures. We use subtraction when reducing taxes and addition in offering services," the official added.

The taxation authorities in Shanxi have also strengthened collaborations with other governmental institutions and social entities to better serve taxpayers.

One practice for such collaborations is the one-stop service initiative launched by Shanxi's taxation bureaus, which also incorporates the procedures for collecting charges relating to pensions, unemployment and medical insurance, as well as applications for loans.

In the Yangqu Industrial Park in Taiyuan, for instance, taxation authorities have joined hands with local banks and legal service institutions to hold seminars for household businesses, helping them get familiar with the latest taxation policies, apply for loans on-site and better understand laws and regulations to ensure their rights can be protected.

Ren Zhixia contributed to this story.



A waterfall, deep valley and centuries-old houses are among the major attractions in Hongni village. LI JIANGMING / FOR CHINA DAILY

Scenic village seizes livestreaming to revitalize local tourism industry

By YUAN SHENGGAO

The tourism industry has been one of the hardest-hit sectors in China over the past three years because of the COVID-19 pandemic, with many destinations, especially those in the countryside, gradually disappearing from the list of places that tourists would want to visit.

But this is not the case for Hongni village in Hongtiguang township in southeastern Shanxi's Pingshun county.

Hongni is an emerging rural tourism destination in the southern part of the Taihang Mountains due to its centuries-old houses, soaring cliffs, a deep canyon and a spectacular waterfall.

Literally meaning "rainbow",

Hongni is named after the waterfall, which usually forms rainbows when its water spray is bathed by sunshine.

The local tourism industry was affected by the pandemic at the beginning of the outbreak, said Wang Xudong, deputy Party secretary of Hongtiguang township.

He added that the industry began to recover rapidly as authorities proposed the use of the internet to promote their tourism attractions and sell local produce.

He said the new operational model was put forward by township Party secretary Cheng Fei, township government head Shen Kaibiao and himself, after studying successful practices of other rural tourism destinations in China.

Under the proposal, Wang Guo-

bao, Party secretary of Hongni village, headed a team of young residents to visit various locales in the country to learn livestreaming and short video production skills.

Back in the village, the young residents used the modern means of marketing to revitalize the village, which has a history dating back more than 600 years.

People from other regions also joined in their ranks. Yang Qian, a girl in her 20s, came to the village in April and decided to stay to develop a career there.

Her short videos feature the landscape, life, history and culture of the village. Through them, she immediately became an internet influencer, garnering more than 100,000 followers.

"The pristine environment, the traditional lifestyle, the daily work on the farms and the preparation of rustic food all proved to be attractive to viewers," Yang said. "Many of them told me that they are making plans to visit the village."

Seeing more people arrive in Hongni to start their livestreaming business with local residents, Zhang Tao, a young entrepreneur from Changzhi, founded a livestreaming company in the village, gathering a group of livestreaming anchors to promote the attractions of the area.

As the village becomes better known to tourists through the internet, Hongni has seen the steady recovery of its tourism industry.

"The number of visitors is increasing and so is the revenue of villagers," village Party chief Wang Guobao said. "Even the small vendors can make big money. An owner of a food stand near the river told me he could earn about 800 yuan (\$114.6) a day during the peak season."

Those involved in farming have also benefited from livestreaming promotions.

Fu Guomin is a pepper grower. Copying the experience of others, he made short videos about the entire farming process and put them on Douyin, the Chinese version of TikTok.

"I gathered more than 7,000 followers over the past year," Fu said. "And all of my produce was ordered by dealers even before the harvest."

Wang Guobao said that thanks to the booming livestreaming industry, the village received more than 150,000 visits this year to date and most of the produce grown on farms totaling 40 hectares was sold through the online platforms.

Li Jiaming contributed to this story.

E-commerce pilot zone established in Yuncheng

By YUAN SHENGGAO

The proposal for developing a State-level cross-border e-commerce pilot zone in Yuncheng was approved by the State Council on Nov 24, together with another 32 cities and regions that put forward the same application.

This marks the establishment of the China (Yuncheng) Cross-Border E-Commerce Comprehensive Pilot Zone, the third such State-level zone in Shanxi province and following those set up in the cities of Taiyuan and Datong.

Local officials said the zone's establishment is confirmation of the booming foreign trade business in Yuncheng and is expected to make the city a new engine for Shanxi's opening-up and international economic cooperation.

According to the requirements of the State Council, the zone should be designed to accumulate new experiences in online cross-border transactions, logistics, payment, settlement, customs clearance and tariff rebates.

The pilot zone would be encouraged to implement innovative practices relating to governance, management, service and synergic development, creating a beneficial ecosystem for cross-border e-commerce and cultivating a full industrial chain.

Yuncheng is among the most active players in Shanxi's international trade, which has laid a solid foundation for developing this new model of foreign trade.

The city's customs office said that during the first 10 months of the year, Yuncheng's foreign trade vol-

ume totaled 10.04 billion yuan (\$1.44 billion), growing 47.2 percent year-on-year. The increase ranked it first among all the cities in Shanxi.

Its imports hit 5.12 billion yuan during the period, up 21.4 percent. Its exports reached 4.92 billion yuan, rising 88.9 percent.

Both the State-owned and privately run businesses are top players in Yuncheng's foreign trade. They respectively accounted for roughly half of Yuncheng's imports and exports, the city's customs office said.

For Shanxi as a whole, the province has issued a number of preferential policies to support cross-border e-commerce.

One of them is the establishment of overseas warehouses for cross-border e-commerce transactions. Under this model, imported goods are first transported to overseas warehouses and then transactions will be made online between suppliers and buyers.

Industry insiders said such a method can allow deliveries to reach buyers more rapidly, thus improving the efficiency of transactions.

The first deal of overseas warehouse delivery was made between Taiyuan-based Huayuan Land Port Cross-Border E-Commerce Corp and Shangzhuo, a glass manufacturer based in Qixian county, on Oct 16. Huayuan then began to transport Shangzhuo's products to its overseas warehouses in Long Beach, California, in the United States.

Yan Jie and Meng Ting contributed to this story.



Beverages produced by local companies are among the major exports from Shanxi. LI ZHAOMIN / FOR CHINA DAILY

White liquor producer exhibits goods in Berlin

By YUAN SHENGGAO

Xinghuacun Fenjiu Group, a renowned white liquor manufacturer based in the city of Fenyang in Shanxi province, exhibited its products at a high-end industrial show in Berlin, Germany, in October, as it undertook a significant move for its globalization.

At the Bar Convent Berlin, an exhibition for the bar and alcoholic beverage industries opening on Oct 10, Xinghuacun Fenjiu displayed six varieties of liquor tailored to international customers.

The pavilion of the company was fitted with remarkable Chinese elements, including the colors of blue and white that are commonly seen on the porcelain bottles containing Chinese liquor. The style attracted the attention of many visitors, said Xinghuacun Fenjiu executives present at the show.

The company's executives also shared with visitors and buyers the long history and rich cultural influences of the company's products.

They said China has an alcoholic beverage production history of about 6,000 years. That is according to an archaeological discovery made at the site where today's

Xinghuacun Fenjiu is located. The discovery might prove that Xinghuacun township in the Shanxi city of Fenyang, where Xinghuacun Fenjiu has its headquarters, was the source of China's alcoholic beverage industry.

Wearing ancient Chinese costumes, the service people from Xinghuacun Fenjiu showed how the liquor was served in ancient China. They displayed a full set of rituals relating to bottle-opening, mixing and tasting, arousing the interest of many visitors at the show.

Xinghuacun Fenjiu's executives said the exhibition helped the company get closer to international customers, especially those in Europe. Its exhibition in Berlin is part of the company's globalization efforts.

Xinghuacun Fenjiu is among the top three exporters in China's white liquor industry, said Yuan Maoqing, board chairman of the company.

To date, Xinghuacun Fenjiu's products have been sold to more than 60 countries and regions, through its 50-plus overseas dealers and more than 9,000 outlets in foreign countries.

Li Shu contributed to this story.



Visitors pose for a picture in front of the Xinghuacun Fenjiu showroom. WEN ZHAOYAN / FOR CHINA DAILY