



Please note: this document is an unofficial translation of the Short Report published by the Ministry of Commerce of The People's Republic of China

Short Report: Fighting the Epidemic – Chinese E-commerce in Action

2020-01-31

Department of Electronic Commerce and Informatisation

Ministry of Commerce of the People's Republic of China

Since the outbreak of the new coronavirus pneumonia, major e-commerce companies have actively fulfilled their social responsibilities, exerted their own platform and network advantages, and made every effort to in-timely provide epidemic prevention supplies, daily necessities, and refund/exchange services for purchased.

First, platforms work to ensure that prices of their platform-branded products do not rise. Hema Xiansheng, one important e-commerce platform for groceries announced that it will “strive to ensure that there is no shut-downs or price increase” for a stable supply of livelihood commodities such as meat, eggs, and milk. Wuhan Hema Xiansheng has stabilised the price and will not increase it during the COVID 19 period. Suning Tesco's online channels and more than 13,000 offline stores promised that "Medical and livelihood products will not rise in price and will be replenished in a timely manner", and all epidemic prevention materials will be sold as they are, without stocking or rising prices. NetEase platform carefully selected the "Personal Protection Tips" feature, promised that health protection products and other products will not have a rise in price; they will also operate during the Spring Festival, and they have adopted a series of measures to support people in need such as free epidemic prevention supplies for people in Hubei.

Second, the platforms strive to expand the supply of goods. Alibaba has set up a special fund of 1 billion yuan for medical supplies, directly purchasing medical supplies from home and abroad, and sending them to hospitals in Wuhan and Hubei; coordinating the emergency resumption of factories in 58 regions, including Yiwu, Shenzhen, and Guangzhou, to expedite the production of medical supplies. The first batch will purchase 2 million pieces of N95 masks, 300,000 medical surgical masks, and 1 million disposable medical masks. JD.com intensified its communication with partner companies to promote overtime production and optimise inventory. Pinduoduo launched the "anti-epidemic channel" to encourage businesses on the platform to expand the sales of anti-epidemic materials through subsidies.

Strict price control is the third feature. Major e-commerce platforms strictly implement price supervision measures and through merchant channels, they have increased price monitoring and price control. On January 21, Alibaba issued an announcement to all merchants on the platform, asking that masks, disinfectants, and other protective supplies on the platform never increase prices, and launched real-time price monitoring and illegal product disposal mechanisms simultaneously. They also launched the official subsidy to establish a cost-effective platform for efficient logistics of affordable masks. JD adopts a system identification & manual inspection method to monitor price increases of epidemic prevention materials in real time and takes serious measures as soon as it is discovered. Up till now, 600 illegally priced products such as severely overpriced products and products with very low prices have been removed from sales.

The fourth is to ensure efficient and safe distribution of products. A number of logistics and distribution companies have made every effort to ensure the distribution of important commodities during the Spring Festival. Tmall Supermarket, in conjunction with Cainiao and SF, set up the first national mask emergency "heart (love) warehouse", which changed the provincial and municipal multi-level distribution to direct distribution. This measure greatly improved the efficiency of distribution. JD Logistics launched an emergency plan to guarantee uninterrupted logistics services in nearly 300 cities and thousands of districts and counties during the Spring Festival. They guarantee to give priority to orders designated by medical institutions. In the logistics and distribution process, Suning Ego uniformly required courier to wear safety equipment for epidemic protection. All parcels were required to be put in the courier cabinet in the community to ensure the safe supply of materials. Meituan Takeaway is fully equipped with masks for riders in Wuhan and other epidemic-affected areas, upgraded site disinfection and temperature measurement supervision. They also have the mechanism to disinfect rider meal boxes every morning and evening.

Fifth, relevant platforms are making sure the refund and exchange policies of travel tickets are transparent, supportive and reasonable. The e-commerce platforms have strengthened their communication and coordination with aviation, hotels, etc., and are continuously launching and adjusting corresponding customer support policies according to the development of the epidemic situation. Ctrip (a leading travel agency in China) has provided a free cancellation policy for hotel and car orders in Wuhan. On January 26, they also introduced a free cancellation and refund policy for group and customised tours that were suspended. They have also increased the amount of the major disaster guarantee fund in their budget from 100 million to 200 million to support the free cancellation regulation they newly facilitated., Ctrip also works with domestic and foreign partners to formulate a rehabilitation plan. Meituan upgrades its service product guarantee mechanism, and cooperates with some hotels, guesthouses, and scenic spot merchants to launch a "green



channel" guarantee plan, and provides free cancellation policies for this epidemic-related order. Ticketing platforms such as Amoy Tickets have launched a comprehensive unconditional refund service.

The sixth aspect falls on the protection of essentially influenced areas. Wuhan Alibaba's *Local Life Team* set up a medical care security alliance, including thousands of restaurants, supermarkets, vegetable markets and hotels, to provide food and accommodation security for the majority of medical staff. Hema Xiansheng's 18 stores in Wuhan are providing 300 meal sets on daily basis for medical staff working in Wuhan Red Cross Hospital, Wuhan No. 6 Hospital. They also provide drinking water, instant noodles, hot food and other materials, in total 3144 food and beverages sets to 21 local hospitals in Wuhan. Suning has reached its goal to deliver products within 24 hours inside urban Wuhan as it has sufficient stocks of food and disinfectant in its two local logistics warehouses in. As an example, there are 200,000 pieces of grain and oil products in Wuhan. JD.com donated 1 million medical masks and in total 60,000 pieces of medical supplies to Wuhan, and they have been delivered to designated hospitals on the 24th January 2020.