

Technology sector gets more bytes

China will step up investments in new technologies over the next three years in an effort to boost domestic consumption that will counter weakening global demand for the country's exports.

Related readings:

- China Telecom to buy 20m 3G phones for service launch
- Electronics, information industry support plan passed
- Trade of electronics, information products total \$885b
- Information is power for investors too

The nation will invest about 600 billion yuan to promote 3G mobile communication services, digital TVs and next generation Internet, a stimulus plan approved by China's State Council, or the Cabinet, on Wednesday night has chalked out.

The investments will be used to promote innovation, increase financing and foster

widespread use of information technology.

The cabinet also agreed to promote outsourcing and to encourage electronics and information technology enterprises to go overseas to build research and development centers, production bases and marketing networks.

The stimulus plan is the latest effort by the government to pump up its economy, which has been impacted by the global economic slowdown. The government has unveiled similar plans for the auto, steel, shipbuilding, textile and machinery manufacturing industries.

According to the Ministry of Industry and Information Technology (MIIT), China's imports and exports of electronic and information technology products reached \$885.4 billion last year, up 10 percent over 2007.

Exports rose 13.6 percent to \$521.8 billion, which accounted for more than a third of its total last year, while imports increased 5.4 percent to \$363.7 billion, or 32.1 percent of the total.

Gao Sumei, an MIIT official, said yesterday that although China's electronic and information technology industry saw robust growth last year, it did feel the chill of the global economic slowdown in the last three months. She said the industry turnover fell by 3 percent in December last year.

The government has now taken a series of measures to boost investment in the technology sector. In January, it approved the country's long-awaited 3G licensing policy, which is expected to trigger 400 billion yuan in investments into the telecom sector by 2011.

The government has also expanded its efforts to give subsidies for rural people wishing to buy electronic devices such as televisions, mobile phones and personal computers.

MIIT said it expects the domestic market to see a revenue growth of 12 percent this year, the same as 2008.



A company shows off a technology that combines Internet and telecommunications.

Nan shan

(For more biz stories, please visit [Industries](#))