



China's Post-Pandemic Economic Restart: Ideanomics Sees Opportunities

As the world's governments begin to shake off the initial impact of the COVID-19 pandemic, all eyes are squarely on China. Beijing is determined to not only revive its economy but launch into a new era of development and growth through large investments in cutting-edge technologies which support high-tech infrastructure – state-of-the-art mobile telecommunications, energy transmission, EV transportation, big data, artificial intelligence and industrial Internet applications.

Ideanomics believes these investments by China represent an opportunity for business as the country works hard to move past the pandemic and toward realizing its goal of being a global tech and industrial powerhouse. As the Chinese economy regains its footing, these specific areas of targeted investments play directly into Ideanomics' expertise and partner relationships.

Given the near-shutdown of many economies, the International Monetary Fund (IMF) is forecasting a global recession in 2020, though some analysts now forecast a strong recovery as early as the third quarter thanks to unprecedented financial stimulus packages being rolled out by governments globally.¹ The global scientific community is working hard to understand and ultimately contain this and any future outbreaks. While the eventual overall impact of the crisis remains murky, political leaders worldwide, led by China, are planning for an economic restart. In addition to government stimulus, a variety of factors, such as consumer confidence and the final number of COVID-19 cases, will play into this timeline.²

China's plan to save its economy depends on a variety of highly focused policies and nationwide campaigns. Along with the billions of dollars Beijing is spending








on medical supplies and treatment in response to the outbreak, the government is pumping additional money into infrastructure projects to create jobs. It has cut taxes on small businesses and required banks to defer loan payments for troubled households and companies to help them survive the economic fallout.³

As China emerges from the pandemic, the Central Politburo is refocused on the need to accelerate previously planned New Infrastructure development in order to minimize the negative impact of the COVID-19 outbreak and drive new economic growth. Accordingly, by March 24, provinces and municipalities – including Beijing, Shanghai, and Jiangsu – issued infrastructure

project investment plans totaling more than \$6.9 trillion, with \$1.1 trillion earmarked for projects in 2020.⁴

The New Infrastructure initiative specifically supports infrastructure for tech innovation and intelligent manufacturing to address the shortcomings of rural infrastructure and public services. It is the government’s hope that a new push forward in development will stabilize growth and allow China to diversify away from economic imbalances of the past, such as excess inventory, inflated real estate prices and over-leveraging, as well as to mitigate the damage from future natural disasters, including from pandemics.

Seven Major Areas of New Infrastructure Construction ⁵

	Domain	Applications
	5G Infrastructure	Internet for industry, transport, logistics, commerce, artificial intelligence, telemedicine and more
	Ultra-High Voltage (UHV)	Electric power and other energy industries
	Intercity High-speed Railway and Intercity Rail Transit	Transportation industry
	EV Charging Stations	Electric vehicles (passenger and commercial)
	Big Data Centers	Finance, security, energy, commercial and retail services, including travel, shopping, fitness, financial planning and more
	Artificial Intelligence	Smart appliances, service robots, mobile driving, applications for homes, finance, security, healthcare, education, media and more
	Industrial Internet	Intelligent production in the enterprise, B2B network collaboration, B2C personalization, service-oriented extensions of enterprises and products

Ideanomics' Mobile Energy Global (MEG) businesses are active in four of the seven New Infrastructure areas of development sought by China's government to restart and ultimately strengthen the nation's economy.

5G Infrastructure

5G, industrial Internet and other technologies played an important role in the early fight against the pandemic; now the government wants to expand these technologies broadly across society. It seeks to strengthen and expand 5G capabilities by shortening the construction cycle of 5G base stations. Local government and private enterprise alike have rallied behind the call. China Unicom and China Telecom have committed to building 250,000 base stations by the third quarter of this year, a quarter ahead of schedule, launching 5G in more than 50 cities.

Most major emerging industries in China, including the industrial Internet, Internet of Vehicles (IoV), the

enterprise cloud, AI and telemedicine, depend in some fashion on the successful rollout of 5G. The pandemic has led to accelerated adoption of online connectivity as millions work or learn from home and use streaming services for entertainment and social connection. That in turn has created heavier network traffic. Moving faster toward 5G allows these trends to turn necessity into prosperity going forward.

EV Charging Stations

As part of the new energy vehicle development effort, electric vehicle (EV) charging station construction saw a jump of 62% year-over-year from October 2018 to October 2019, rising to 1.14 million stations from 686,000. Nevertheless, there remains plenty of room for growth. China already has 5 million EVs on the road and plans to greatly expand EV mobility.

Big Data Centers

New Infrastructure developments such as 5G, industrial Internet and AI have increased demand for data centers. Accelerated development of emerging industries also creates a lot of data. The establishment of new data centers promotes industrial transformation and enables companies to move toward wholesale cloud-based operations.

Artificial Intelligence (AI)

AI, machine learning akin to human intelligence and capable of making decisions, is the next frontier in scientific, industrial and social development. The impact of AI will profoundly affect the global economic, social and international political landscape. China is at the forefront of AI technology development. As the world is reshaped by AI, the technology undoubtedly will drive heretofore unseen opportunities for human growth and development.

Ideanomics Initiatives

On March 27 Ideanomics announced the formation of two core business entities to capitalize on China's \$6.9 trillion in New Infrastructure investments. The two



As part of the new energy vehicle development effort, electric vehicle (EV) charging station construction saw a jump of 62% year-over-year from Oct 2018 to Oct 2019, rising to 1.14 million stations from 686,000.

entities, MEG New Energy Vehicles and MEG 5G Energy Services, will be subgroups of MEG's New Energy Sales division, each having a core group of strategic partners.

MEG New Energy Vehicles will facilitate financing and leasing of Internet of Vehicles infrastructure under a variety of scenarios, including the Belt and Road Initiative, electric vehicles in Qingdao, Shandong Port, urban electric engineering vehicles, new energy taxi exchanges, urban new energy buses and other operating scenarios. The unit primarily will finance 5G towers and stations as well as power supply. MEG's New Energy Vehicles has formed a strategic cooperation with several leading partners, including CATL, Beiben Trucks Group Co., Ltd., Chery Automobile Group, CEMI Group, iUnicorn (Shenma Zhuanche) and others to incorporate IoV technology into their manufacturing.

MEG 5G Energy Services will make use of IoT/IoV services to accelerate the deployment, maintenance and management of clean energy in a variety of scenarios, such as urban data centers, distributed energy and urban charging ports. It has formed a strategic cooperation with China Tower, GCL Group, State Grid, Dongfang Energy Sales Cloud and TMR Energy. GCL brings a real-time fleet management platform which will leverage the IoV and IoT data capabilities over 5G

to assist commercial fleet operators with charging and battery replacement indicators and route optimization based on traffic and weather conditions.

On April 7, Ideanomics announced a pilot to convert gas stations to supercharging stations using technology provided by CATL at PetroChina gas stations in Nanjing. MEG, PetroChina and CATL expect to begin converting gas pumps to EV superchargers as soon as the fourth quarter of this year.

Taken together, these initiatives in new energy vehicles, IoT/5G energy services, charging stations and energy supply management augment MEG's existing development platform. The long-term effort in China, accelerated by the need to recover from the COVID-19 disaster, is to continually foster large-scale investments in new energy, 5G towers, big data centers, artificial intelligence and the industrial Internet. Ideanomics and its partners are positioned to benefit from many of these New Infrastructure economic initiatives in China, all of which will see a boost designed to propel the country forward.

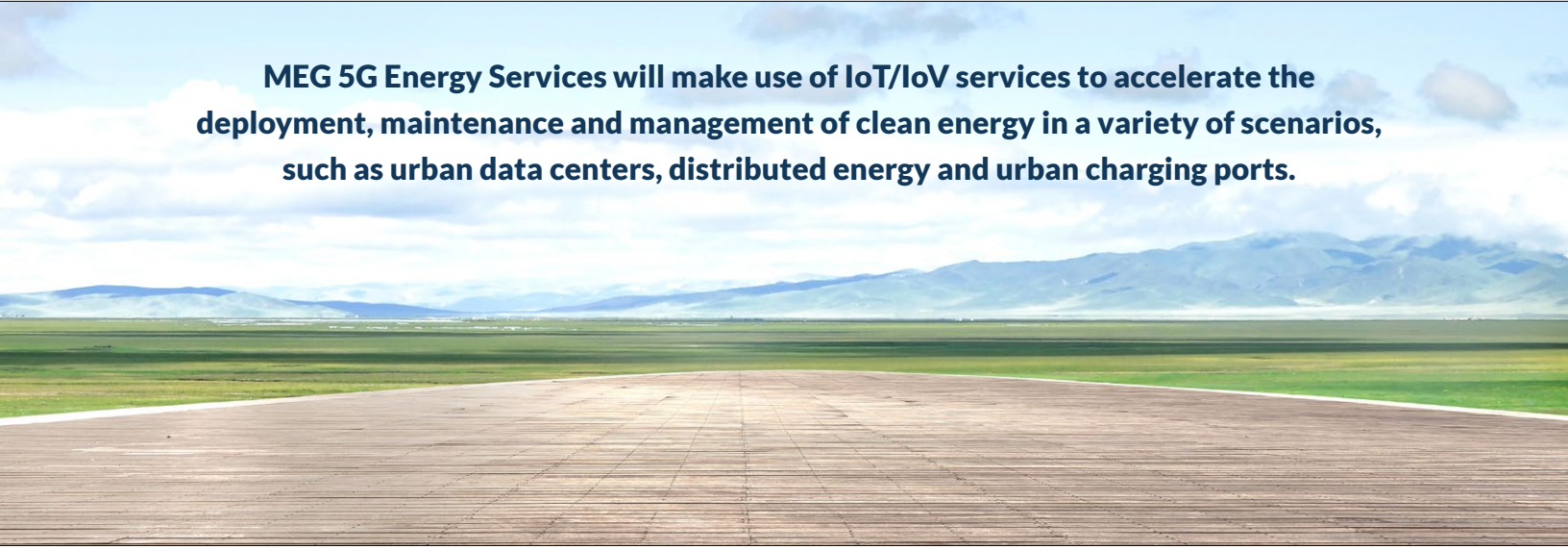
(1) [Coronavirus Impact: Global Recession and Rebound](#)

(2) [COVID-19 crash: How China's economy may offer a glimpse of the future](#)

(3) [China is trying to revive its economy without risking more lives. The world is watching](#)

(4) https://mp.weixin.qq.com/s/O9RPzsmdEE_Xcz-JsXKmfq

(5) [中央定调，“新基建”彻底火了！这七大科技领域要爆发](#)



MEG 5G Energy Services will make use of IoT/IoV services to accelerate the deployment, maintenance and management of clean energy in a variety of scenarios, such as urban data centers, distributed energy and urban charging ports.