BUSINESS

Instant retail sector heating up

On-demand deliveries fitting in nicely with national plan to boost consumption

By FAN FEIFEI
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Competition in China's instant retail sector is heating up as major players are banking on the fast-growing food delivery modality to cater to consumers' rising demand for speedy and affordable on-demand delivery services, and to seek new sources of revenue, industry experts said.

They said that supply chain capabilities, fulfillment efficiency and service quality will be the key factors that determine the future landscape in the instant retail market, while platforms should ramp up technological innovation, optimize delivery networks and adopt differentiated strategies to further improve user experience.

Instant retail refers to a model where shoppers place orders via online trading platforms, after which retailers from brick-and-mortar stores execute door-to-door deliveries themselves or through third-party delivery platforms. The model is regarded as an important strategic battlefield for e-retailers, with on-demand deliveries usually requiring 30 to 60 minutes to be completed.

Alibaba Group's Taobao Instant Commerce and Ele.me — its food delivery subsidiary — announced on Monday that the number of daily orders has surpassed 80 million, with daily active users from its on-demand delivery business reaching more than 200 million. The number of newly registered merchants has surpassed 240,000.

Alibaba's instant delivery service, which was officially launched in early May, has expanded across the nation, offering rapid deliveries for various goods beyond foodstuffs — such as electronics, clothing and flowers — within an hour. The orders are fulfilled by Ele.me.

The figures were released after food delivery platform Meituan said its daily order volume covering food and retail goods amounted to 150 million on Saturday, hitting a record high, and the average delivery time is 34 minutes.

Daily transaction volumes on these platforms have seen rapid growth as major players started to offer more discounts and subsidies to boost consumption. Taobao Instant Commerce has launched a substantial subsidy program worth 50 billion yuan ($7 billion) over the next 12 months for both consumers and merchants, while Meituan issued huge discounts and purchase coupons to attract more consumers.

Moreover, Chinese e-commerce giant JD has entered into the highly competitive food delivery sector, providing comprehensive support like low or zero commission fees to catering merchants who register on its platform, and stepping up the recruitment of full-time delivery riders.

According to a report from the Chinese Academy of International Trade and Economic Cooperation, the market scale of China's instant retail sector reached 650 billion yuan in 2023, up 28.89 percent year-on-year. The figure is expected to surpass 2 trillion yuan in 2030.

Chen Liteng, senior analyst at the Internet Economy Institute, a domestic consultancy, said the discounts and subsidies provided by platforms have effectively

Consumers claim free drink exchange coupons for brands such as Mixue through the Meituan app, leading to a surge in orders at a store in Chengdu, Sichuan province, in July. PROVIDED TO CHINA DAILY

80+ million

daily orders of Alibaba Group's Taobao Instant Commerce and Ele.me

stimulated users' consumption appetites and boosted the explosive growth of the instant retail market given that boosting consumption is a top priority for the country's economic growth for this year.

"The sharp increase in order volumes demonstrates the growing consumer demand for personalized instant services, creating significant commercial value for platforms," Chen said. However, these platforms are still facing some challenges such as fulfillment efficiency and shortage of delivery riders.

Guo Tao, deputy head of the China Electronic Commerce Expert Service Center, said competition in the instant retail sector is not concentrated on a mere price basis, but has transitioned toward supply chain capabilities, instant delivery efficiency and user experience.

Noting that steep discounts and subsidies cannot continue for extended periods, Guo said the platforms should provide differentiated products and elevate service quality such as stable fulfillment and after-sales guarantees to enhance customer retention, while expanding the scope of service scenarios, increasing product categories and improving their cost-effectiveness.

"Instant retail is regarded as an important development direction for the future retail sector as enterprises can leverage their existing logistics and supply chain advantages to explore new growth points," said Hong Yong, an associate research fellow at the Chinese Academy of International Trade and Economic Cooperation.

Hong said competition in the on-demand retail market is becoming increasingly fierce, with major players including e-commerce platforms, local life service enterprises and traditional retailers upping the ante in the sector, adding that the key to success will focus on the optimization of the user experience, expansion of service scope and supply chain efficiency.

School milk program hits new milestone

By WANG ZHUOQIONG
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China's efforts to boost child nutrition nationwide through dairy consumption has reached a new milestone, with more than 30 million primary and secondary school students covered by the "National School Milk Program", according to a 2025 bulletin released by the Dairy Association of China on Monday.

Launched in 2000, the program has evolved into one of the country's most important public nutrition initiatives. It currently spans all 31 provinces, autonomous regions and municipalities on the mainland, with over 100,000 schools participating, an official in the Ministry of Agriculture and Rural Affairs said.

"The school milk program has achieved notable success through multiparty collaboration over the past 25 years," said Wei Lin, director of the dairy division at the bureau of animal husbandry and veterinary services of the ministry.

"It's time to further integrate the program with the development of the dairy sector," Wei said at the 16th Dairy Conference.

According to the national school milk program promotion bulletin (2025), released by the association, as of June this year, 176 licensed dairy processing enterprises — under 98 corporate groups — were authorized to use the official "China school milk" logo. Collectively, they have a daily processing capacity of 94,000 metric tons of raw milk.

In the 2024 academic year, the total production of school milk reached 1.001 million tons, valued at 8.37 billion yuan ($1.17 billion). The number of daily school milk servings rose to 26.72 million in 2024, a sharp increase from just 500,000 in 2001.

The program is not only growing in scale, but is also delivering tangible health benefits.

Data from the 2024 assessment report show that grade 3 to grade 5 students receiving school milk regularly were on average 2 cm taller and had 4.8 percentage points lower emaciation rates compared to those who did not receive such nutrition, according to Wei.

The rapid expansion of the program has been supported by solid progress in China's dairy production. Since 2008, the automation rate in dairy farming has surged from less than 20 percent to nearly 80 percent in 2024. Large-scale farms with more than 1,000 cows now account for over 60 percent of total operations.

Raw milk quality has also improved: the pass rate for safety inspections has remained above 99 percent, with no cases of prohibited additives in recent years. These changes provide a strong base for safely scaling up school milk distribution nationwide, she added.

"We will deepen collaboration across the dairy ecosystem," said Angela Mou, vice-president of corporate communications and sustainability at Tetra Pak Greater China.

"With government guidance, corporate commitment and social cooperation, the school milk program can become a nice project of China's health drive."

Aveva increases R&D investment in China

By FAN FEIFEI

Industrial software developer Aveva has ramped up efforts to increase its research and development investment in China, while also deepening its cooperation with local partners, to bolster the digital transformation and upgrading of Chinese enterprises, as it sees enormous opportunities from China's emphasis on the development of new quality productive forces.

China has rapidly emerged as a global frontier for industrial innovation, presenting vast development opportunities driven by its vibrant digital economy and the development of new quality productive forces, said Chris Lee, senior vice-president and head of Asia-Pacific of Aveva.

Lee highlighted that China's mature and extensive industrial system and supply chain offer an unparalleled platform for technological innovation. "We are fully confident in the Chinese market and will continue to increase investment in the 'in China, for China' initiatives."

The company recently launched its China intelligent innovation center, its first localized R&D center, and a vital addition to its global R&D innovation network, deepening its "in China, for China" strategy. The establishment of this center is aimed at addressing the urgent demand for digital productivity within China's industrial development.

With about 40 to 50 percent of the Asia-Pacific region's resources allocated to the Chinese market, Lee said the company gives Chinese clients strong confidence.

He added that the United Kingdom-based company will deepen its roots locally and collaborate closely with local partners to co-create, while empowering global industrial development, China's smart manufacturing drive and industrial digitalization.

Cui Jingyi, the company's vice-president and head of Aveva China, said, "We aim to position China as a key global innovation hub for R&D and innovation efforts, better supporting the domestic industrial digital transformation needs."

Cui said the extensive and rich industrial application scenarios and immense potential within China provide an excellent platform for the iteration and refinement of digital solutions.

She emphasized that the company has always co-created with local customers and partners, transforming cutting-edge technologies such as industrial intelligence and digital twins into highly efficient solutions that build green and digital productivity.

"More importantly, the rich experience we have accumulated domestically not only helps local enterprises reduce costs, boost efficiency and achieve breakthroughs in innovation, but also empowers them to expand globally, allowing China's innovative industrial intelligent solutions to benefit global industry and social development."

Cui noted that many clients have integrated Chinese AI startup DeepSeek's models and are actively exploring how AI can transform their businesses. The newly launched center enables the company to better respond to local market requirements and serve domestic customers, she said, adding that they are willing to accelerate the application of AI through collaboration with local partners.

Digitalization and innovation are key for nurturing the new quality productive forces and advancing new industrialization. Leveraging its profound industrial foundation and the booming industrial internet, China provides a uniquely advantageous validation environment for global enterprises' digital solutions.

The country's highly digitalized industrial cluster also creates immense opportunities for Aveva to integrate global cutting-edge technologies with local practical demands, accelerating the smart transformation and upgrade of Chinese customers, according to the company.

The Ministry of Commerce said that in the first five months, 24,018 new foreign-invested enterprises were established on the Chinese mainland, representing a year-on-year growth of 10.4 percent. Foreign direct investment on the Chinese mainland, in terms of actual use, reached 358.19 billion yuan ($49.96 billion) during the period.

Zhou Mi, a senior researcher at the Chinese Academy of International Trade and Economic Cooperation, said Chinese enterprises could learn advanced technologies and management experience from their foreign counterparts and improve innovation capacity and competitiveness, thereby injecting impetus into economic transformation and upgrading.