

Trade: Unlocking potential

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can be a robust driving force for global economic growth," said Lothar Herrmann, president of Siemens Ltd China.

While collaboration between Chinese and foreign companies in projects in infrastructure, resources and manufacturing remains key to unlocking the economic development potential of many countries and regions related to the initiative, digital connectivity will create more business opportunities for Chinese and foreign companies in these markets, and in other parts of the world as well, said Vaughn Barber, global chair for KPMG Global China Practice.

"New and cutting-edge technologies are providing a range of new possibilities for Chinese companies, in both traditional and high value-added industries," Barber said, adding they are helping "boost productivity, further unlock new demand and increase their competitiveness in domestic and global markets".

Barber's view is shared by Xin Guobin, vice-minister of industry and information technology. He said China will accelerate the pace of developing high-end manufacturing and digital technologies to further enhance the country's export capabilities.

China has already taken measures to improve its export structure, with exports of automobiles expanding by 16.3 percent year-on-year and machine tools by 18.7 percent year-on-year between January and September.

Exports of electrical and mechanical products rose by almost 8 percent to 6.91 trillion yuan, accounting for 58 percent of the country's total export value, according to the GAC.

In addition to maritime transportation, over 10,000 railway trips had marked the China-Europe freight train service



A shopper picks imported products at a supermarket in Taiyuan, Shanxi province.

ZHANG YUN / FOR CHINA DAILY

from 2011 to the end of August. The freight trains transported nearly 800,000 containers of goods. The cargo rail network so far links 48 Chinese cities with 43 cities in 15 European countries such as Germany, Spain, Poland and the United Kingdom.

"The combination of China's competitive labor costs, and foreign capital and technology since the country's reform and opening-up drive, has helped facilitate its trade growth and secure its pricing advantage," said Long Guoqiang, vice-president of the Development Research Center, which is part of the State Council, China's cabinet.

Long said this transformation has also generated handsome returns for foreign companies through both local sales and exports from China.

Because China is omnipresent in the supply chains of many consumer and industrial products across the world, a number of global companies have increased investment in China to sustain robust growth

so far this year.

For instance, German chemical giant BASF SE and the US petrochemical group Exxon-Mobil Corp have signed agreements this year with the Guangdong provincial government to build wholly foreign-owned plants, each entailing an investment of \$10 billion.

Tesla Inc, the US technology major, is expected to start the construction of a \$2 billion electric vehicle plant in Shanghai before the year-end. The factory will have a projected annual capacity of 500,000 e-vehicles.

Foreign direct investment edged up almost 3 percent year-on-year to 636.7 billion yuan in the first nine months of this year. FDI in high-tech sectors, which accounted for 22.5 percent of the total, climbed almost 7 percent year-on-year, data from the Ministry of Commerce showed.

"After benefiting significantly from the first wave of globalization, China is now starting a new influential trend, by growing its domestic market, and by

improving the quality (of goods and services) and environmental requirements, both on the industrial and consumer sides," said Denis Depoux, one of the top regional executives of German consulting firm Roland Berger.

To better compete with other established rivals from both domestic and global markets, sportswear manufacturer Nike Inc opened a massive store in Shanghai last month. Nike aims to attract digital-savvy younger Chinese consumers with its digital integration, innovations and personalized services.

"As the government has already lowered its value added tax on imports as well as taxes on vehicles and auto parts, medicines and consumer goods, the CIIE will help push more goods and services trade deals between Chinese and global companies," said Sang Baichuan, a professor of international trade at the University of International Business and Economics in Beijing.

Talking Business

Cross-border e-commerce takes off in new digital era

By FAN FEIFEI
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Nov 11, or the Singles Day, the online shopping festival invented by Alibaba, is just days away, and I can't wait to see what form this year's buy-buy-buy mania will take.

I'm certain about one thing though. On the second Sunday of November, Chinese consumers will chase foreign brands as if there were no tomorrow.

Online marketplaces such as Taobao, Tmall, JD and Amazon will pull out all the stops to give 11-11 a global character.

They will do so for a good reason. China's cross-border e-commerce sector has been growing rapidly over the past few years. It grew 23.5 percent to 6.3 trillion yuan (\$914 billion) in sales last year, according to iiMedia Research, a market consultancy.

Market researcher eMarketer estimates that by 2020, a quarter of the Chinese population, or more than half of China's digital buyers, will be shopping for cross-border products, either directly on foreign-based websites or through third-party e-destinations.

The reason for such stupendous growth is simple: middle-income Chinese shoppers have been buying increasingly diversified and personalized high-quality goods manufactured overseas.

Online retailers are wooing these millions of affluent consumers with a wide range of authentic and high-quality overseas products.

6.3
trillion yuan

sales of China's cross-border e-commerce sector last year, up 23.5 percent year-on-year

Although I don't consider myself affluent, I often browse Red, known in Chinese as *Xiaohongshu*, a Shanghai-based e-commerce startup's app that offers tips on overseas shopping.

Just by browsing, I gather useful information about fashion and shopping trends. That helps when I go shopping for foreign brands.

Red publishes interesting shopping stories, product recommendations and buying tips. I read them even when I don't have overseas travel plans on my schedule.

Red was set up in 2013 to connect Chinese consumers with overseas sellers. It helped create a community where trust and sharing are the hallmarks.

Red initially began with the objective of helping outbound Chinese travelers to share their shopping experiences online.

Soon, it morphed into a social commerce site. It began selling international luxury brands and sought-after foreign products.

Red's owner relies on word-of-mouth marketing, and lets its users share photos of products they bought, shopping tips and overseas shopping stories online. It has inked partnerships

with Cosme, Japan's largest online cosmetics shopping site, and Kirindo, the largest drugstore and pharmacy chain in Japan.

About 80 percent of its users are younger than 30. And 90 percent are well-educated women pursuing a lifestyle that has accent on quality products and services.

Apart from Red, US-based tech behemoth Amazon is luring an increasing number of Chinese buyers to buy foreign products. Its Amazon Global Store covers top destinations of outbound Chinese consumers, including the United States, the United Kingdom, Japan and Germany.

Amazon said Chinese consumers would enjoy authentic deals from overseas markets and be able to buy genuine products directly from Amazon's overseas fulfillment centers.

The products sold on Amazon include some of the most popular items like Nine West shoes, Godiva chocolates, Lego blocks and Rimowa luggage.

Shanghai-based Ymatou provides a more diversified cross-border shopping service. The company recommends affordable quality products to customers by utilizing big data technology and analyzing commodity sales, user ratings, brands' influence and price information.

It's clear demand for international brands is rising rapidly in China, thanks to cross-border online shopping, which is probably one of the fastest-growing trends in e-commerce.



The exhibition center of the 19th China Hi-Tech Fair, held in Shenzhen, Guangdong province last year. This year's event will run from Nov 14 to 18, showcasing advanced technologies from around the world. PROVIDED TO CHINA DAILY

High-Tech expo will demonstrate new, cutting-edge achievements

By LIANG KAIYAN
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Organizers say the 20th China Hi-Tech Fair is expected to kick off with gusto, running from Nov 14 to 18 in the city of Shenzhen in South China's Guangdong province, showcasing cutting-edge, high-tech achievements from around the world.

The event will open at the Shenzhen Convention and Exhibition Center, attracting exhibitors, experts and companies who will release their latest products and share insights in high-tech fields, according to the organizers.

Themed "New Development Concept for High Quality Growth", the upcoming fair will focus on highlighting innovation and high quality developments — in a bid to facilitate economic growth through the advancement of high technologies.

The event will also focus on implementing national

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Wang Lixin, deputy mayor of Shenzhen.

strategies, such as the Belt and Road Initiative and the coordination of regional development.

This year, the fair will include exhibitions, high-level forums, themed conferences and diverse activities.

Achievements in innovation, scientific research, the Belt and Road Initiative

and high technology will be exhibited.

Specific exhibitions will incorporate new energy, smart healthcare, the application of sensor technology and the internet of things, advanced manufacturing and new materials, organizers said.

"The fair is the largest and most influential science and technology exhibition in China," said Wang Weizhong, Shenzhen's Party chief.

It is also an event for participants from home and abroad to exchange the fruits of high technology and take a leading role in guiding the development of the world's new technologies and products, he added.

This year, the overseas parallel venues will be launched in countries including Iceland, Norway and Sweden.

Dignitaries, professors and entrepreneurs at home

and abroad will join together to discuss topics covering information technology, investment and finance.

The event is also expected to initiate more international cooperation projects for Chinese and overseas companies.

"The fair plays a key role in promoting Shenzhen's high-tech industries as the first pillar industry," said Wang Lixin, deputy mayor of Shenzhen.

The China Hi-Tech Fair shoulders the mission of serving the construction of an innovative country and an innovative Shenzhen, he added.

Last year, the exhibition area was set in about 120,000 square meters. A total of 3,049 exhibitors from 38 domestic provinces and cities, and 49 delegations from other countries and international organizations, will display more than 10,000 projects at the fair.

These covered virtual reality, big data, optoelectronics, drones and aerospace and aviation, which attracted 592,000 visitors from 102 countries and regions.

There were more than 252 forums and conferences held during the expo and 63 companies released their latest products and technologies.

It was estimated that 1,704 new products and 539 new technologies made their debut during the event, accounting for 22.4 percent of the total, organizers said.

The annual event is co-hosted by several ministries and commissions, including the Ministry of Commerce, the Ministry of Science and Technology, the Ministry of Industry and Information Technology as well as the Shenzhen city government.

It has been held since 1999 and has become an important window for the opening-up of China's high technology sectors to show its development to the world.

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CHINA HI-TECH FAIR 2018

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2018年11月14日-18日

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