How to Help MSMEs Trade through E-commerce: China’s Experience

OUYANG Cheng
Ali Cross-border E-commerce Research Center
16 April 2018
China’s Cross-border E-commerce & the Share in Foreign Trade

Data Sources: Ministry of Commerce, Bureau of Statistics, AliResearch, etc.
Some Important Value of Cross-border E-commerce

- New Players in International Trade
- New Forms of International Trade
- Industrial Transformation and Upgrading
From Government’s Perspective:

China’s Cross-border E-commerce Comprehensive Pilot Zones

Hangzhou Experience: Six Systems and Two Platforms
➢ Policy and Rules Innovation
➢ Governmental Management Innovation
➢ Integrated Services Innovation

Online Comprehensive Services platform
China’s Cross-border E-commerce Comprehensive Pilot Zones

Offline Industrial Zones Platform
From Platform’s Perspective:

Integrated Trade Services for MSMEs

Import & Export Integrated Services Platform for MSMEs

- Customs
- Taxation
- Foreign exchange
- Transportation
- Financing

Data & Credit

Consumer → Retailers → Wholesaler → Supplier → Local warehouse → Import & Export

Direct-selling
eWTP Pilot: Malaysia’s Digital Free Trade Zone (eHub)

- Regional Logistics Hub
- One Stop International Trading Services Platform
- Cloud Computing and Big Data
- E-payment and Inclusive Financial Service
- Global Digital Talent Training
From Industry’s Perspective:

Wig Production and Sales in Juanchen County, Shandong
3 Pioneers of E-commerce in Shaji Town, Suining County, Jiangsu

- In 2006, H. Sun, K. Xia and L. Chen returned to hometown and started e-commerce business.
- Disadvantages of off-line channel, such as high initial investment, long cash flow cycle and high market uncertainty. On e-commerce platforms, they could reach consumers and reduce cost.
- Rapid development of grassroots entrepreneurship. Currently, 90% of young people open factories or open e-stores.
New Economic Landscape in Suining County, Jiangsu

E-commerce Sales in Suining

<table>
<thead>
<tr>
<th>Year</th>
<th>Equipment</th>
<th>Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.3</td>
<td>1,320,000</td>
</tr>
<tr>
<td>2017</td>
<td>15.3</td>
<td>42,000</td>
</tr>
</tbody>
</table>

1,320,000 Population

42,000 Online Stores

51 Taobao Villages

3,956 Registered Trademarks

210,000 Job Opportunities Created
Ali Cross-border E-commerce Research Center

*Inclusive Growth and E-commerce: China’s Experience*

*Future of Global Trade: Connecting the World through E-commerce*

*E-Commerce in China: Opportunities for Asian Firms*

*Unleash the $3 Trillion Potential of Online Retail in BRICS*

— BRICS E-commerce Development Report 2017

*互联网时代的全球贸易新机遇——普惠贸易趋势*

*eWTP助力“一带一路”建设——阿里巴巴经济体的实践*

世界电子贸易平台倡议（eWTP）2017年度报告